

12/13/14

INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

Algeria	500 Dn.	Iran	125 Rls.	Nigeria	100 N.
Australia	155.	Israel	15 ILS.	Peru	430 B.
Belgium	30 B.F.	Jordan	400 Rb.	Qatar	650 Rb.
Canada	75 C.	Kuwait	1000 D.	Romania	1000 R.
Denmark	4.8 Dk.	Lebanon	1000 L.	Saudi Arabia	5.00 Rb.
France	6.5 F.	Lithuania	100 Lt.	South Africa	100 R.
Germany	2.00 D.M.	Malta	20 M.	Switzerland	1.00 S.F.
Greece	40 Dr.	Netherlands	2.25 Fl.	Taiwan	100 N.T.
India	100 R.	Norway	100 Kr.	Turkey	100 L.
Italy	100 L.	Poland	100 Zl.	U.S.	1.00 D.
Japan	100 Y.	Romania	100 R.	Yugoslavia	100 D.

THE WEATHER — PARIS: Monday, cloudy, possible showers. Temp. 14-25 (57-77). LONDON: Monday, cloudy with showers. Temp. 14-19 (57-64). CHAMBERLAIN: Monday, cloudy with showers. Temp. 14-20 (57-68). FRANKFURT: Monday, cloudy with showers. Temp. 14-23 (57-71). NEW YORK: Monday, partly cloudy. Temp. 14-23 (57-71).

No. 30,569

LONDON, MONDAY, JUNE 1, 1981

Established 1887

Israel Seen Refusing to Halt Raids When Habib Returns

By Norman Kempster
Los Angeles Times Service

JERUSALEM — Israel, which observed a moratorium on bombing and commando raids in southern Lebanon during the earlier shuttle diplomacy of Philip C. Habib, the U.S. envoy, will not impose similar restrictions on itself when Mr. Habib returns to the area, sources said Sunday.

The sources said that Prime Minister Menachem Begin had told U.S. Ambassador Samuel W. Lewis that Israel would continue its normal operations against Palestinian guerrilla targets in Lebanon despite Mr. Habib's presence in the area.

Mr. Habib is expected to return

to his Jerusalem-Damascus-Beirut shuttle this week in an effort to defuse the Israeli-Syrian confrontation over Syrian deployment of SAM-6 anti-aircraft missiles in Lebanon's Bekaa Valley.

Israel said its planes knocked

- Potential benefits and risks are seen for Moscow in the Middle East tension. Page 2.

out four batteries of Libyan-controlled SAM-9 anti-aircraft missiles at Palestinian bases in southern Lebanon last Thursday, as Mr. Habib was on his way back to Washington to confer with President Reagan. It was the first Israeli assault across the border since before the start of Mr. Habib's mission.

Despite Mr. Begin's repeated threats to take military action against the Syrian missiles, Israel has not attacked Syrian forces or the Soviet-supplied SAM-6 rockets. However, the Israeli attack on the less potent SAM-9s may have been intended as a warning to Damascus.

Syria, meanwhile, conducted its first full-scale civil-defense exercise since the Arab-Israeli war of 1973. The test, announced Saturday, was described by Israeli officials as a further indication of an increasingly warlike attitude in Damascus.

In another development, on Sunday, Mr. Begin rejected the latest demand by President Anwar Sadat of Egypt that East Jerusalem be returned to Arab control. But the Israeli leader's retort was low-key, apparently to avoid giving undue offense to Mr. Sadat before their scheduled meeting Thursday.

"Jerusalem is the eternal capital of Israel, one city, indivisible," Mr. Begin read from a statement to reporters after the weekly Cabinet meeting. "By law, freedom of access to the holy places is guaranteed members of all religions ever since the liberation and unification of Jerusalem."

20 Are Killed in Shellings Of Lebanese Beach Areas

By Jonathan C. Randall
Washington Post Service

BEIRUT — In the worst outbreak of violence in two weeks, rival gunners fired artillery at beaches in the Christian and predominantly Moslem areas of Lebanon on Sunday as batters fled.

At least 20 persons were killed and 150 wounded in the shelling, which was apparently purposely targeted against population centers rather than the largely deserted front lines in the capital.

Judging from the timing of the shelling, the Christian beaches at Kaslik and Jounieh, 11 miles (18 kilometers) north of Beirut, were hit first by shells fired by Syrian troops or their allies among the Lebanese left and the Syrian-controlled elements of the regular Palestine Liberation Army.

In keeping with a two-week-old warning of eye-for-an-eye retaliation in case of attack, the rightist Christian militia artillery replied later with salvos on a popular beach in West Beirut, which is predominantly Moslem.

Bathers fled both areas, and in West Beirut ambulances were seen taking the wounded to hospitals.

Aside from the beaches and the traditional demarcation-line targets, Christian gunners also shelled West Beirut areas that have been largely left unscathed since the indiscriminate bombardments of the 1975-76 civil war. Two shells landed within 100 yards of the Commodore Hotel, long a press center off limits to all belligerents.

Almost all 200,000 residents of the Christian side of the capital have deserted the area in the last two months, and Jounieh and its environs have become the overcrowded center of the Christian heartland.

U.S. Holds Missile Officer As Soviet Embassy Visitor

New York Times Service

WASHINGTON — The U.S. Air Force has arrested an Air Force missile-launching officer at an air base in Kansas and charged him with making three unauthorized visits to the Soviet Embassy here.

The Strategic Air Command identified the officer as 2d Lt. Christopher M. Cooke, 25, of Richmond, who has been assigned to the Titan missile complex at McConnell Air Force Base near Wichita, Kan., since last June. There are 54 Titan missile sites in the United States.

The arrest was made Friday night, and Maj. Lew Lambert, public affairs officer at McConnell, said then that Lt. Cooke had access to classified documents as part of his job.

Another spokesman at the base said the lieutenant was a member of one of the two-person crews whose simultaneous actions in turning keys are necessary for the launching of Titans — intercontinental missiles with nuclear warheads that are targeted to predetermined sites in the Soviet Union.

Maj. Lambert said that Lt. Cooke was accused of having made three visits to the Soviet Embassy from last December to some time in May. He declined to give the exact dates. He said the officer was being held in pretrial confinement at the McConnell base.

No Soviet Comment

An official at the Soviet Embassy said Friday night, when asked about the arrest, "I'm afraid there's no one who could comment on it." He added, "There are a lot of visitors every day. We do not keep records of visitors."

Lt. Cooke's lawyer, Capt. Francis W. Pecrotty, asserted Saturday that his client had been cooperating fully with an Air Force investigation "under promise of complete immunity." An Air Force spokesman declined to comment on the question of immunity.



Christopher M. Cooke

Lt. Cooke was described as an earnest, intelligent young man with an interest in U.S.-Soviet relations and nuclear missiles. After graduating from Old Dominion University in Norfolk, Va., he attended the College of William and Mary in Williamsburg, Va., where he earned a master's degree in political science in what a professor called "near-record time."

In the spring of 1979, as he was finishing his studies, he applied for employment at the CIA, according to his father. He entered the Air Force in December, the records show.

Dale L. Peterson, a spokesman for the CIA, said the young man had applied twice at the agency, unsuccessfully. The first time was in 1978 when as a student he applied for a summer intern job. Mr. Peterson said. The second time, the following year, his application for a staff job was returned with a notation that there were no openings then for a person with his educational background.

Air Force officials said that Lt. Cooke, after completing officer training school, was sent to Vandenberg Air Force Base in California for missile training. In June, 1980, he was assigned to McConnell Air Force Base and given further training on the Titan ICBMs.

That summer he was designated deputy missile combat commander of a four-man crew in a Titan silo. As such, he had access to information on the alert status of the missile, its state of maintenance, and the communications and code system to be used if it was to be fired.

An Air Force official said all codes and other systems that could be changed had been changed after Lt. Cooke came under investigation.

According to the Air Force, Lt. Cooke first went to the Soviet Embassy in December, 1980, and twice more, on undisclosed dates, between then and early May. Officials said that why he went, whom he saw, how long he stayed, and what happened are under investigation.

The officials said Lt. Cooke was picked out by routine surveillance



FUNERAL PROCESSION — The Vatican secretary of state, Cardinal Agostino Casaroli, at left with bishop's staff, led the procession taking the casket of Cardinal Stefan Wyszyński to Victory Square in Warsaw, where funeral services were held on Sunday. Story, Page 2.

'Finlandization': To Some Poles, It Represents Room to Breathe

By John Darnton
New York Times Service

WARSAW — To many politicians in the West, "Finlandization" is a nightmare; it means the threat of encroachment by the Soviet Union upon the nations of Western Europe.

In Poland, too, there is beginning to be talk of Finlandization, but here the concept has the shimmering allure of an impossible dream. It applies to Eastern rather than Western Europe, and it means moving away from the Soviet Union, not toward it.

The Eastern and Western concepts have a point in common. Finlandization, a term rejected by Finns as an inaccurate and unfair description of their geopolitical status, suggests a country moving in a kind of outer orbit from Moscow, bartering certain latitude in foreign affairs in exchange for internal freedoms and domestic sovereignty.

The debate in Poland is mainly at the level of cocktail parties and coffeehouses. Bits and pieces have surfaced, cautiously, in the press. No responsible person has proposed, or would think of propos-

ing, that Poland sever its military ties to the Soviet Union. But there seems to be a growing recognition that the liberalization movement must inevitably lead to a redefinition of the "special relationship" that has existed between them for 36 years.

This is particularly true because the movement unleashed by the Solidarity trade-union federation is assuming more overtones of Polish nationalism. It is a deep, powerful force, and political dissidents and government officials alike worry that it could get out of hand and disturb the delicate balance of forces that has allowed the Polish experiment to proceed in an evolutionary way. A critical intermediary in the process has been the Roman Catholic Church and especially its primate of 52 years, Cardinal Stefan Wyszyński. At his death last week, even the government praised his patriotism.

Things are being said publicly and written in the press that would have been unthinkable even six months ago. Recently, a columnist

wrote that the time had come to admit that Communism had been imposed upon Poland, although he hastened to add that this did not mean that most people today opposed it. A well-known leader of the 1970 strikes on the Baltic coast slipped back into the country, illegally, after an eight-year absence and gave an interview in which he attacked the Yalta conference of 1945, which enabled the Soviet Union to dominate Eastern Europe.

The union movement always had strains of nationalism to it, but they were suppressed by a kind of common consent, a key adviser to Solidarity observed, "remember one of the first strike meetings," he said, "one of the strike leaders looked over the hall and said, 'It's amazing. There are 500 people in this hall. None of them likes the Soviet Union, everyone is thinking about the Soviet Union, but no one speaks about it.' If anyone began to speak about Katyn — the 1940 massacre of more than 10,000 Polish prisoners of war, for which most Poles hold the Soviet Union responsible — he was

(Continued on Page 2, Col. 7)

Rebels Kill Zia, Claim Port City In Bangladesh

By Carol Honsa
Washington Post Service

NEW DELHI — Army rebels in Bangladesh assassinated President Ziaur Rahman in an attempted coup Saturday and apparently held control Sunday of the port city of Chittagong as the interim central government set — and twice extended — a deadline for their surrender.

Broadcasting from the capital city, Dhaka, acting President Abdus Sattar ordered rebel troops to surrender by 6 a.m. Monday or face "stern action" from loyal forces. He also proclaimed a state of emergency and suspended most civil rights, citing a threat to the country's security from "internal disturbances."

There was no indication why the government, which asserted the loyalty of the rest of Bangladesh's 4,000-man navy, stationed in the southeastern port.

[A few hours after the assassination, the dissident troops fanned out in the jungles surrounding Chittagong and killed 50 policemen in scattered fighting, according to Indian press reports quoted by UPI.]

In a radio broadcast from Chittagong early Sunday, the rebels said that their Revolutionary Council would provide "a clean and incorruptible administration." Although Gen. Zia was widely believed to be personally honest, there were frequent charges of pervasive corruption of the officials around him. (Like many people in Bangladesh, Gen. Zia used his first name as the surname and dropped the last two letters, which are used only as an article in conjunction with the second name.)

Government-controlled Radio Bangladesh claimed that at least one battalion of the East Bengal regiment, headed by a major, had surrendered in response to order from the army chief of staff, Lt. Gen. M. Arshad.

Gen. Zia's body remained in the rebels' hands, despite appeals for its return by the Bangladesh Red Cross. Gen. Zia and as many as eight aides and bodyguards were killed by gunfire in a pre-dawn attack Saturday at a Chittagong gov-

guided army men" holding Chittagong.

Rebels continued to broadcast from the captured radio station at Chittagong, 140 miles (about 225 kilometers) southeast of Dhaka, claiming that the seven-member Revolutionary Council that they established was in control there. One broadcast called on the army garrison at Comilla, a city 60 miles southeast of Dhaka, to "keep vigil over the enemy forces."

Rebel Threat

[The rebels threatened to kill an unspecified number of captured army loyalists "unless the anti-Revolutionary Council campaign is stopped forthwith by Dhaka radio," United Press International reported. They also said they had the support of Bangladesh's 4,000-man navy, stationed in the southeastern port.



Ziaur Rahman

(Continued on Page 2, Col. 7)

King, Cabinet Turn Out in Barcelona For Armed Forces Day Observances



King Juan Carlos of Spain reviewing the honor guard upon his arrival in Barcelona for festivities on Armed Forces Day.

By James M. Markham
New York Times Service

BARCELONA — King Juan Carlos I presided Sunday over a mammoth armed-forces parade that underscored the important and highly sensitive role that the restive military establishment has lately assumed in Spain's political life.

The culmination of a week of festivities in Barcelona, the two-hour parade down the city's central avenue — 13,163 men and women, 1,138 vehicles and 524 animals — was given lavish and at times almost reverential radio and television coverage.

Despite fears that terrorists might attempt to disrupt the event, big crowds lined the Avenida Diagonal to watch troops, tanks, armored personnel carriers and a flyby of jets and helicopters. Practices for the flyby had disrupted commercial air traffic into Barcelona for several weeks, and Sunday the airport was closed until the afternoon.

Premier Leopoldo Calvo Sotelo and virtually his entire Cabinet, eager to display their solidarity with the military, moved for the weekend to Barcelona and dutifully attended various martial demonstrations, mock landings and pledges of allegiance to the Spanish flag. The red-and-gold banner was repeatedly cheered as it was borne down the avenue.

Since the unsuccessful military coup of Feb. 23, Spain's politicians have been bending over backward to demonstrate comprehension of senior generals' complaints about the course of the country's democracy, which has been buffeted by terrorism and regional tensions. In an interview published Sunday, Defense Minister Alberto Oliart, a civilian, asserted that democracy was taking root in Spain "thanks in great measure to the armed forces."

Under the Franco regime, the military annually

commemorated its 1939 victory over the Republican cause in the Spanish Civil War with a parade in Madrid. Since this official celebration wounded the sensibilities of many Spaniards who fought on the losing side, King Juan Carlos altered "Victory Day" to "Armed Forces Day" and decreed that it should rotate among the cities that serve as regional command headquarters.

Before the coup, politicians and the media gave scant attention to the Armed Forces Day parades. But in the jumpy atmosphere that has spread since February, this year the day became a major political event. The parade appeared to be among the largest of its kind in the non-Communist world.

As hosts to the festivities, Barcelona politicians — and in particular, Jordi Pujol, president of the Catalan home-rule body, the Generalitat — were worried that some fringe regional grouping would attempt to mar the occasion. Pacifists put up some anti-military posters, and anarchists spread leaflets urging the people of Barcelona to "go to the countryside and make love, not war." But no serious incidents occurred.

Anti-Military Strain

Catalans dancing their regional dance, the *sardana*, were generously included in a patriotic pageant Saturday, and a military band even struck up the Catalans' hymn "Els Segadors," banned under Franco. In 1960, Mr. Pujol, then a young banker and budding politician, was sentenced to six years in prison for organizing a mass singing of another prohibited song, "Cant de la Senyera," in front of Franco in a Barcelona theater.

In his discourses in the past few days, Mr. Pujol has managed to sound fairly like a fervent Spaniard.

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INSIDE

Letelier Reversal

Reversing an earlier verdict, a U.S. jury acquitted two Cubans of murdering the former Chilean ambassador, Orlando Letelier, Page 2.

France's Change

Clear signs are emerging of the moral imprint that France's new administration is trying to make, Page 5.

Tests for Italy

Italy's political structure, economy, key industries and society in general are being tested by multiple problems. But the nation has a lot of resiliency. A special supplement, Pages 7B-12B.

Officials Say U.S. Has Lost Naval Superiority Over Soviet Union

By Robert C. Toth
Los Angeles Times Service

WASHINGTON — "Sooner or later," Adm. Sergei G. Gorshkov predicted in 1976 as he directed an unprecedented buildup in the Soviet Navy, "the United States will have to understand that it no longer has mastery of the sea."

The moment he anticipated has arrived.

"We have lost our maritime superiority," U.S. Navy Secretary John B. Lehman Jr. said last week as he discussed the emergence of the Soviet Navy as a force capable of operating throughout the world, far from its home bases.

Rapid Transformation

Most military specialists would agree with that assessment. A recent U.S. Navy intelligence estimate concluded that the Soviet Navy had expanded "to challenge the United States in all aspects of maritime power, qualitatively and quantitatively."

In less than two decades, the Soviet Navy has been transformed from a force capable of little more than coastal defense into an armada that has already forced the United States to share control of some oceans.

The latest count shows the Soviet fleet with 272

submarines and 275 surface warships, compared to the U.S. fleet of 119 submarines and 335 surface warships. Many Soviet subs are old diesel vessels, however, and U.S. total tonnage exceeds the Soviet total.

Mr. Lehman disclosed that the Russians had begun building their first great nuclear-powered aircraft carrier, which is expected to displace up to 75,000 tons and carry high-performance, fixed-wing jets.

Despite Soviet construction of new surface warships whose bristling armaments recall the "pocket" battleships of World War II, some analysts argue that the buildup is a defensive reaction to what the Kremlin perceives as U.S. naval threats.

Other authorities, such as Elmo Zumwalt, the former U.S. chief of naval operations, believe that the buildup is designed to support Soviet expansionist policy, up to and including intervention in overseas "wars of liberation."

Instruments of Power

Adm. Gorshkov, who this year marked his 25th anniversary as head of the Soviet Navy, seems clearly willing to have his ships used as an instrument of power politics. The expanded Soviet Navy has been "to great and to Soviet diplomacy" in Third World regions, he wrote in 1973.

Two weeks ago, as the Lebanese missile crisis heat-

ed up, the Russians moved nine ships into the Mediterranean in six days, bringing their total fleet in that area to 39. In 1958, when U.S. Marines landed in Lebanon, the Russians did not put nine ships all told into that sea.

The 1962 Cuban missile crisis demonstrated even more strikingly Moscow's lack of warships with a long reach, according to Vice Adm. Sylvester R. Foley, deputy chief of naval operations for plans, policy and operations.

"The U.S. naval blockade, I feel, made the Soviets recognize the value of naval power to support national aims far from home," Adm. Foley said in an interview.

Response Theory

Soviet surface warships began deep-water deployments in 1963. By 1967, during the war in the Middle East, Soviet ships were anchored in Port Said and Alexandria, in Egypt, to deter Israeli attack. Soviet ships supported Cubans in Angola in 1975, and later in Ethiopia, if only by their offshore presence. They did the same in 1978 during the clash between China and Vietnam.

Naval scholars such as Michael McGwire of the Brookings Institution date the Soviet naval expansion from 1961, however, and argue that it was "largely a

response to the rapid buildup" of U.S. strategic and conventional forces ordered then by President John F. Kennedy.

In this view, Soviet warships and submarines, designed to attack U.S. carriers and nuclear-missile submarines, were deployed into deep water as the range of U.S. missiles grew.

While the Soviet Union's surface ships now cruise all the world's oceans, its missile submarines follow a different strategy. Ever since the first Soviet submarines with long-range missiles began appearing in the early 1970s, they have been deployed close to home: the Barents and Norwegian seas and the Sea of Okhotsk in the Pacific. Unlike U.S. nuclear subs, they do not patrol far out at sea.

Mr. McGwire and others have also maintained that the Soviet Union developed oceangoing warships to protect its sea-lanes through the Atlantic and Indian oceans, between European Russia and the Soviet Pacific coast.

But to Navy Secretary Lehman and Adm. Foley, the Russians do not have the same critical dependence on the sea as the United States, and Moscow's navy cannot be justified as a defensive force.

"They are out to oppose our lines of communication," they say.

(Continued on Page 2, Col. 2)

سنة ١٩٨١

Internal Party Disputes Appear to Weaken Coalition in Bonn

By John Vinocur
New York Times Service

BONN — May was the month of resignations, both threatened and real, in West German politics, reflecting one of the most troubled and unstable periods for the government coalition of Social Democrats and Free Democrats since it began running things here in 1969.

Chancellor Helmut Schmidt threatened two weeks ago to quit if his Social Democratic Party did not back him on NATO's nuclear modernization program, and on

NEWS ANALYSIS

Friday night, Foreign Minister Hans-Dietrich Genscher, the vice chancellor and head of the Free Democrats, told his party the same thing.

Earlier last week, Hans-Ulrich Klose, the Social Democratic mayor of Hamburg, a post with national political importance, resigned after an intraparty battle. A few days later, another Social Democratic leader, Holger Boerner, the president of the state of Hesse, said he would stake his political career on a vote of confidence at a regional party convention in June.

Genscher's Problems

The impression was unavoidable: a general loss of control within the coalition parties, signs of a weariness with the exercise of power that cannot be talked away, and the possibility, acknowledged by Mr. Schmidt, that the government might not hold together until the next scheduled national election in 1984.

Mr. Schmidt's threat to quit, made just



Hans-Dietrich Genscher

before he flew to Washington to talk to President Reagan, seemed to give the procedure a kind of legitimacy, as if it were a rather everyday means of doing political business. Some friends of the chancellor suggested that it was a normal way of exerting pressure in a parliamentary — as

opposed to presidential — system, but the threat created a mood of nervousness and drastic solutions for problems that had been dealt with in a less pensive manner.

Mr. Schmidt's problems in getting his party to hold fast to the North Atlantic Treaty Organization's 1979 decision on deploying Cruise and Pershing missiles in Western Europe had been well known, but Mr. Genscher's warning about stepping down exposed the differences inside the Free Democratic organization on the same issue. Although the differences of opinion within the coalition's junior party had been clear for some time, Mr. Genscher was generally assumed to be in full control of the party, nudging it, steering it, controlling it with political virtuosity.

But the debate on the NATO missiles went badly on the floor of the Free Democratic convention in Cologne. In any case, its situation was considered critical enough for the foreign minister to threaten to quit if a vote on the issue did not go his way. He won by a 271-103 count, but he lost much of the impression of strength, and confidence gained with the Free Democrats' good performance in the national election last October.

Mr. Genscher also appeared to have a less than firm grip on his party on another score. Despite his urging, the local party organization in West Berlin has voted against any cooperation with the Christian Democrats, who pushed the Social Democratic-led government out of office in city elections May 10.

Although the foreign minister has talked about the necessity for parliamentary responsibility and West Berlin's special need for calm, the Free Democrats in West Berlin have appeared more interested in projecting political modishness —

notably on issues involving the hundreds of occupied houses in the city — than in working on compromise.

The resignation of Mr. Klose and the threat to quit by Mr. Boerner have similar causes that increasingly divide the Social Democrats into leftist and more moderate wings.

Mr. Klose, who seems to be moving leftward, quit on the issue of nuclear energy in the Hamburg city-state, and Mr. Boerner, a more moderate type, has troubles within his state branch of the party about nuclear energy and the building of a new runway at the Frankfurt airport.

Wider Issue

But the issues go beyond the local pros and cons and into the nature of how the party has been run over the last years. During the period in which Mr. Schmidt's international respect and influence grew, the chancellor did little to guide the party on the nuclear-power question or to make clear the line where environmentalism obstructs or conflicts with economic necessity.

Now that the Social Democratic Party is in a phase of disillusionment about the increasingly apparent loss of détente, issues with seemingly ideological overtones take on a greater meaning for its rank and file. Thus a man like Mr. Boerner is faced with increasingly passionate resistance to the building of a nuclear-waste processing facility or a runway that he says will secure jobs in his state.

The issues are different manifestations of the same phenomenon, that of disillusionment and irritation with change that has helped to make the issue about the deployment of nuclear weapons such a heated one.

If Mr. Schmidt still has most of the party leadership and the parliamentary delegation on his side, the problems on the regional level illustrate the rank and file growing troubles with the rank and file. Taken in context, the situation has faint similarities to the one in Poland, where the Communist Party maintains vertical control of the organization but is losing, or has lost, control on a horizontal basis.

With two major political figures like Mr. Schmidt and Mr. Genscher having considerably less control over their political forces than a year ago, a potential for instability has been created, with possible repercussions on domestic politics and on West Germany's foreign relations.

Mr. Genscher indeed promises loyalty to the coalition but now adds that if it breaks up, it will not be the doing of the Free Democrats. But he himself programmed a possible clash with Mr. Schmidt's party for the fall by saying on Friday that cuts in social welfare — the bone and sinew of Social Democratic politics in Western Europe — are unavoidable in next year's budget.

All this has been fine for the Christian Democratic opposition, which, by camouflaging its own divisions and by projecting itself as a responsible and reasonable alternative, is now in a stronger position than it has been since the 1976 elections.

A poll published on Friday provided some clear evidence: if elections had been held last week the Christian Democratic alliance would have had 49.3 percent of the vote, a gain of almost 5 percentage points over its score last October. The coalition parties, which polled 53.6 percent in October, would have lost their majority and their grip on power.

Record World Wheat Crop in View, FAO Says

ROME — The world is heading for a record wheat harvest this year unless good growing weather turns very quickly, according to the United Nations Food and Agriculture Organization. Wheat production is likely to rise from the 444 million metric tons of last year to 460 to 480 million metric tons in 1981, the FAO said. Winter wheat crops have done well in the Northern Hemisphere, and spring plantings are enjoying good weather. Output of coarse grains, such as corn and barley, is also expected to climb. The UN agency predicted that production would rise from 724 million metric tons in 1980 to 800 million tons this year. But, despite the improved outlook, grain reserves would still amount to only 14 percent of estimated 1981 consumption, compared to the 17 or 18 percent that the agency regards as necessary to maintain minimum world food security.

U.S. Said to Punish 2 in Sub-Ship Collision

TOKYO — The U.S. Navy has reprimanded two officers of the nuclear submarine George Washington and relieved them of duty for their roles in the April 9 collision that sank a Japanese freighter, Kyodo News Service said Sunday. The U.S. Embassy in Tokyo informed the Foreign Ministry of the decision on Saturday, the Japanese news agency said. It identified one of the officers as Cmdr. Robert D. Woelch, captain of the submarine. It did not name the other. The embassy and the Navy in Washington would not comment. Both the Navy and the Japanese Maritime Safety Agency have been investigating the collision between the submarine and the Nissho Maru in the East China Sea. The freighter's captain and first mate were killed. Rescued crewmen claimed the George Washington had surfaced briefly, then submerged and left the scene without attempting a rescue. The Americans contended in a preliminary report that poor visibility kept them from seeing that the ship was in distress.

2 Ministers Quit Portuguese Government

LISBON — The office of Portuguese Premier Francisco Pinto Balsemão announced Sunday that two ministers had tendered their resignations and their replacements were under discussion. The statement said the minister in charge of the civil service, Eusebio Marques de Carvalho, and the minister responsible for state media, sport, youth and environment, Augusto Ferreira do Amaral, had resigned. Political sources said the resignations were a sign of growing tension within the ruling coalition of Social Democrats, Christian Democrats and Monarchists. Both men had been involved in conflicts with Cabinet colleagues. Mr. Ferreira do Amaral, the only member of the small Monarchist Party in government, was frustrated by a Cabinet veto in his attempts to fire a controversial television chief, the sources said. Mr. Marques de Carvalho, an independent, was widely criticized for his handling of this year's civil service pay round.

Rebels Kill Dacca Ruler

(Continued from Page 1) ment residence where they had been spending the night. The government radio in Dacca identified the assassins as a rebel group led by Maj. Gen. Manzur Ahmed, commander of Bangladesh's 24th Division, based in Chittagong. The general announced over Chittagong radio that he had formed the Revolutionary Council to run the country. He declared a rupture in relations with neighboring India, but he gave no specific reasons for attempting to seize power. Dacca and other major towns were reported quiet, with troops guarding vital installations. Meanwhile, United News of India reported that Hasina Wazed, recently elected chairman of Bangladesh's main opposition party, the Awami League, had been arrested during an attempt to cross into India on Sunday. Mrs. Wazed, daughter of Bangladesh's first president, Sheikh Mujibur Rahman, who was assassinated in 1975, had returned to Bangladesh two weeks ago after six years of exile in India. The enthusiastic reception she received at public rallies was said to have disconcerted Gen. Zia, who saw her return after her long Delhi sojourn as an instance of Indian meddling in Bangladesh's political affairs. There have been no indications that Mrs. Wazed or Awami League followers were involved in the coup attempt, and India has denied any interference in Bangladesh's politics or the weekend's developments. Gen. Zia's assassination after nearly six years in office halted the longest period of relative political stability Bangladesh has known since it won independence from Pakistan in December, 1971.

Zia Was a 'Cheerleader' As Ruler of Bangladesh

By Stuart Auerbach
Washington Post Service
DACCА, Bangladesh — The slain president of Bangladesh, Gen. Ziaur Rahman, liked to move out among his people. As many as 20 days a month he headed by helicopter from Dacca to visit remote villages. Dressed in a bush shirt, he would stride vigorously down the road from the first village to see how many other communities he could cover in the day. He would question the crowds that gathered. Were promised roads being built, and were they being maintained? Were wells dug on schedule? Were irrigation systems kept in working order? And, most important, were local officials doing their jobs? Woe to the officials if the answer was no and villagers could supply examples, for they faced a public dressing-down from the president. But Gen. Zia did more than social officials. He acted as the nation's cheerleader, exhorting the people to greater efforts on self-help projects, such as canal digging or family planning. He appeared resolved to lift up his desperately poor country by the sheer force of his determination. Aside from gnawing poverty and a staggering population growth, the greatest obstacles to progress were considered by many to be Bangladesh's pervasive corruption and the powerlessness of most of the top ministers around Gen. Zia. The only way to get anything done in Bangladesh was through Gen. Zia's office. Aid workers told of having key projects stalled in the ministries, often at the highest levels, and only freeing them after getting Gen. Zia's ear at a social gathering. Gen. Zia, generally regarded as an honest man who lived frugally and worked grueling hours, appeared embarrassed by the charges of corruption around him, although he is reported to have done little about the problem. While he maintained his reputation as a strong, honest and dedicated leader, some of his domestic critics said the majority of his self-help programs mainly benefited landowners and that only small amounts of the international aid that has flowed into his country since its tumultuous founding 10 years ago ever trickled down to the poor. Gen. Zia, who was 45, was a member of the Islamic Conference committee attempting to negotiate an end to the war between Iran and Iraq and had advanced the

Spain Marks Military Day

(Continued from Page 1) ish patriot — which he is not — and he effusively exchanged flags with senior generals. Catalans are known for a deep streak of anti-militarism, and there are relatively few Catalan officers in the armed forces. Generalized fears of some disruption of the parade were sharpened a week ago by the seizure of Barcelona's Banco Central by a band of gunmen, who took more than 200 hostages and demanded the release of four officers jailed in the February coup plot. After police commandos stormed the bank, freeing the hostages, some of the detained gunmen led them to an office near the parade site where a tunnel had been excavated. Police speculated that the gunmen might have intended to connect the unfinished tunnel to a nearby sewer network and detonate an explosion to ruin the parade or assassinate the king. The motives of the gunmen are uncertain. Mr. Calvo Sotelo suggested in parliament last week that the raid was financed by the extreme right, but police are now exploring the possibility that the youths were ordinary criminals covering a robbery with political connotations.

Moscow Uses Caution On Crisis in Lebanon

By George Schmemmann
New York Times Service
MOSCOW — It took Moscow more than two weeks after Syria moved anti-aircraft missiles into Lebanon to let the Soviet public that a "dangerous and complicated" situation was developing in the Middle East. And it wasn't until last week, before a visiting King Hussein of Jordan, that the Soviet Union pledged that it would "firm-

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ly support" the Syrians. It may have been just another case of sluggish bureaucratic reflexes, but more likely, the slow responses suggested caution in handling an issue rich in potential advantages and risks for the Kremlin.

On the one hand, the crisis offers Soviet leaders an opportunity to intensify their lobbying for a role in overall Middle East diplomacy, from which they have been largely excluded since a Geneva conference late in 1973. At the 26th Soviet Communist Party Congress in February, Leonid I. Brezhnev said his country was ready to resume the search for a comprehensive settlement in partnership with the United States at a new Geneva-style conference. Two weeks ago, as Israeli-Syrian tensions rose in the Middle East, Mr. Brezhnev declared in a speech in Tbilisi that his proposal offered a good chance to keep such crises from engulfing the entire region.

As the formal patron of President Hafez el-Assad of Syria, Moscow could expect to be recognized as an influential party. On the other hand, Soviet leaders are keenly aware that if war broke out, their leading Arab friend could get bloodied. Short of war, the crisis has highlighted the gap between Soviet and U.S. diplomatic effort in the area.

Habib Is Welcome
Whether or not he succeeds in his mission, President Reagan's special envoy, Philip C. Habib, has shown that an American can move easily among Tel Aviv, Damascus, Beirut and Riyadh, while the Soviet envoy, Deputy Foreign Minister Georgi Korniyenko, completed only a quick visit to Damascus. Moscow has called Mr. Habib's shuttle "provocative" and "hypocritical" and accused Washington of backing Israel's "military aggression." This past week, it angrily denied as "premeditated misinformation" charges that Soviet advisers had accompanied Syria's Soviet-supplied missiles into Lebanon. U.S. officials in Washington said they had no evidence to support the charge.

Arab and Western diplomats in Moscow generally believe that the Soviet Union had no part in fomenting the flare-up in Lebanon, although it has tried to reap political advantages from the instability. U.S. officials are known to have asked Moscow for the outset for a political advantage, the restraint of influence on Syria. Subsequent Soviet behavior has been ambiguous, but the impression among diplomats is that Moscow urged caution on the Syrians while tacitly approving deployment of the surface-to-air missiles in Lebanon and just over the Syrian border.

What has emerged clearly from Soviet statements is the tenacity of Moscow's desire, through a tangled history of shifting alliances, to challenge and to match Washington's role in the Middle East. The latest Soviet campaign for influence opened with the signing of a friendship treaty with Syria in October and was officially confirmed in Mr. Brezhnev's speech in February.

Procession of Leaders
Since then, the Russians have received Kuwait's foreign minister, Sheikh Sabah al-Ahmed, the Libyan leader, Col. Moamer Qadhafi, and King Hussein of Jordan. The leaders of Algeria and the Palestine Liberation Organization reportedly will be coming next. But as a diplomat remarked, "The Soviet peace offensive is certainly showing vigorous action, but it's difficult to claim that it's showing any substantive success."

The Kremlin has not yet



British bomb-disposal personnel inspecting the wreckage after a car bomb killed one of their comrades on Sunday in Ulster.

British Serviceman Killed By a Car Bomb in Ulster

United Press International
BELFAST — A bomb planted in an abandoned car exploded Sunday, killing a member of a bomb-disposal team who was trying to defuse it. Warrant Officer Michael O'Neill, 34, was the eighth British soldier killed in Northern Ireland this year.

The explosion occurred on a South Armagh road near the border with the Irish Republic and near where the Irish Republican Army detonated a land mine two weeks ago that killed five British soldiers.

Security forces sealed off the area and brought in dogs to try to detect any other hidden bombs. Police and troops of the Irish Republic searched the area on that side of the border.

Dublin March
On Saturday, the British secretary for Northern Ireland, Humphrey Atkins, banned demonstrations in advance of the annual July 12 commemoration of the 1690 defeat of King James II of Britain, a Catholic, by William of Orange.

In Dublin, police sealed off the British and U.S. embassies Saturday as thousands of Irish supporters, chanting and carrying anti-

IRA supporters and backers of the Fianna Fail party of Premier Charles Haughey scuffled in the streets Saturday, and Mr. Haughey was forced to cancel several engagements. He told reporters the harassment would not sway him "one footstep" from his policies.

Tanzania High Court Voids Election Result
The Associated Press
DAR ES SALAAM, Tanzania — The Tanzanian High Court for the first time has accepted a petition by a defeated parliamentary candidate and overturned an election result, the government newspaper Daily News reported.

also called Solidarity, said in an editorial that it had a reply to those who were suggesting that Poland was threatened by a disintegration of social order.

"The Polish community is calm," the newspaper said. "In the past few months we have given evidence of our moral, ideological and political maturity. We want to carry out our internal renewal through social agreements and negotiations and resolutely reject all forms of violence."

Solidarity's Warsaw-based information service, meanwhile, reported two cases in which Communist war memorials were defaced in the southern town of Przemysl. The union condemned the action and demanded an immediate police investigation.

States launched two nuclear submarines in 1980. The Russians have launched the first Typhoon ballistic missile submarine, which at more than 25,000-ton displacement is by far the world's largest submersible. Three more Typhoons are under construction.

By 1990 the Russians will have the ships necessary to form at least five carrier-centered battle groups, and authorities such as J.S. Bremer, writing in the Naval War College Review, argue that the mission of the Soviet fleet thereafter will shift from "sea denial" to become "the more traditional goal of a great naval power: maritime supremacy."

Wyszynski's Funeral Attended by 250,000

By Brian Mooney
Reuters
WARSAW — More than a quarter of a million Poles crammed into Warsaw's Victory Square on Sunday for the funeral of Cardinal Stefan Wyszynski, the spiritual leader of this predominantly Roman Catholic nation for almost 33 years under Communist rule. Among the foreign and Polish dignitaries assembled to pay their last respects to the Polish primate, who died Thursday at 79, were the Polish head of state, Henryk Jablonski, the Solidarity union leader, Lech Walesa; the Vatican secretary of state, Cardinal Agostino Casaroli; and 15 other cardinals. They gathered for the funeral Mass before an altar dominated by a 43-foot (13-meter) wooden cross. It was only the second time such a symbol of Christianity had lowered over the square since Communists took power in Poland after World War II.

The last time was on June 2, 1979, the first day of Pope John Paul II's triumphant homecoming, which marked the beginning of a Catholic resurgence in Poland and set the stage for last summer's social revolution.

The pope, recovering from an assassination attempt, had Cardinal Franciszek Macharski of Poland read a special message during the funeral of his former teacher. The pope said in his message that he wished he could be with his countrymen for the occasion, "but God has decided otherwise."

He described the late cardinal as the keystone of the Polish church and asked Polish Catholics to observe 30 days of mourning for him. The pope once said that he owed his election to the papacy to Cardinal Wyszynski's courage in braving harassment and captivity during the Stalinist years.

The homily, written by the pope in his hospital bed on the day Cardinal Wyszynski died, contained no reference to a successor. Cardinal Macharski had told a crowd gathered outside the late primate's residence in Warsaw on Saturday night that a successor must be appointed without delay.

Stanislaw Kania, the Polish party leader, met Cardinal Casaroli on Saturday and pledged to continue cooperation with the church. But Mr. Kania did not attend Sunday's funeral.

The funeral was televised live nationwide. The news agency PAP

'Finlandization': To Some Poles, It Would Mean Relief

(Continued from Page 1) evicted from the meeting. Now it is all changing. The restraints are lifting. Earlier in May, for the first time, the party felt moved to condemn anti-Soviet agitation publicly. Kazimierz Sarcikowski, a ranking member of the Politburo, said anti-Soviet propaganda would be treated "as provocation, as criminal activity with incalculable consequences." The official Polish news agency PAP said last week there had been "isolated cases of insult against Soviet soldiers stationed in Poland." Sources said the incidents had occurred near the main Soviet base at Legnica.

The new mood finds expression in the slogan, "Let Poland Be Poland." It seems to mean that one must allow Poland's national character and democratic traditions to assert themselves so that internally the country becomes more "Polish" while its international alignment remains unchanged.

The internal changes focus upon the role and character of the Communist Party. Even inside the government, people are talking of a coalition of forces that would rule the country — a combination perhaps of the party, the church and Solidarity. Within the structure the party would be dominant, although it would no longer enjoy a monopoly of power over such vital areas as the press, the legislature and "nomenclature" — the system of control over administrative and managerial positions. To some extent, such a radical-sounding revision would only be a formal recognition of changes that have already taken place.

U.S. Aides See Loss of Naval Advantage

(Continued from Page 1) tion that bring us raw materials and are vital to resupply Europe if necessary," Adm. Foley said. "Soviet ships and submarines outgun us with their Cruise missiles, which are the modern equivalent of naval artillery. They have ranges up to 250 miles, while our maximum range is 80 miles. They could even interdict our airlift with their very good surface-to-air missiles on ships stationed at sea under the air lanes."

The Soviet Union's commercial and fishing fleets are ready auxiliary vessels for its navy, Adm. Foley said. Moreover, the Russians' naval mission has been to keep the Unit-

Reagan Sets Talks With Democrats

President Will Push For Tax-Cut Accord

By Howell Raines

WASHINGTON — President Reagan has invited Democratic congressional leaders to the White House for a "last chance" meeting on a tax compromise and will decide early this week whether to launch a national publicity campaign to force them to accept his plan to cut income taxes, according to White House officials.

In what his advisers described Friday as a final effort to work out a compromise on the tax plan, Mr. Reagan scheduled a meeting on Monday with Rep. Thomas P. O'Neill Jr. of Massachusetts, the House speaker; Rep. James C. Wright Jr. of Texas, the House majority leader; Rep. Dan Rostenkowski of Illinois, the chairman of the House Ways and Means Committee; Sen. Robert C. Byrd of West Virginia, the Senate minority leader; and Sen. Russell B. Long of Louisiana, the senior Democrat on the Senate Finance Committee.

A White House aide said the Democrats would be told, "Pellets, we want you, but if you won't come, we're going another way."

Boldest Effort

The White House invitation on Friday, combined with the threat of a personal lobbying effort by Mr. Reagan, added up to the administration's boldest effort yet to pressure Democrats into proposing a compromise tax plan based on the president's plan for a 10-percent annual reduction for three successive years.

If Monday's meeting shows no basis for compromise with the Democratic leaders, several White House sources said, Mr. Reagan is prepared to move in two directions.

He will seek a legislative alliance with the conservative Southern Democrats who helped him pass his spending reductions, the sources said. Secondly, they said, he will launch a "public outreach effort" to create voter demand for passage of his tax reductions.

"I worked last time," Michael K. Deaver, Mr. Reagan's deputy chief of staff, said Friday, referring to the personal lobbying campaign the president used to pass the first phase of his economic recovery program. Mr. Deaver said a decision on whether President Reagan would go over the heads of Congress and appeal directly to the people again would probably be made by the "first of the week."

Key Democrats

Key Democrats such as Rep. Rostenkowski regard the president's three-year tax plan as too large and too heavily weighted in favor of the affluent.

The White House attitude toward Rep. Rostenkowski hardened noticeably as Friday progressed. The attitude began with White House spokesmen trying to placate the Illinois Democrat and entice him into a compromise and ended with the show of political muscle-flexing.

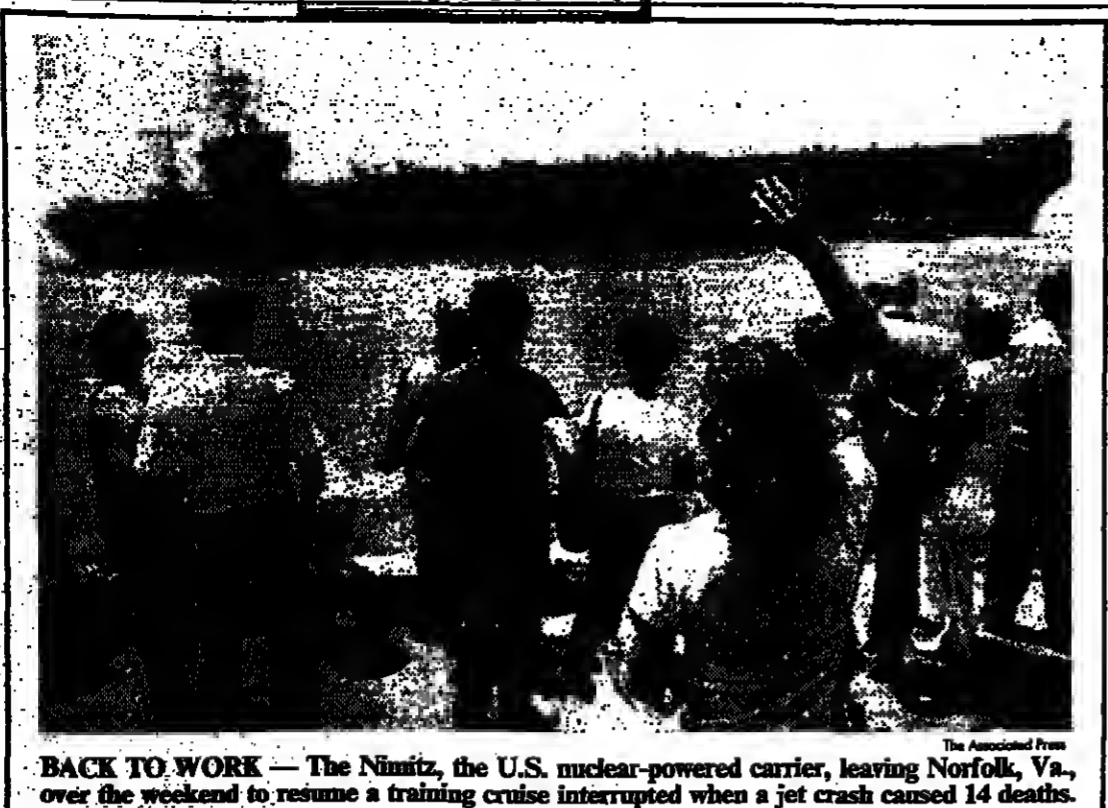
The combined use of threats and enticements illustrated the time and political pressures bearing down on Mr. Reagan as he attempts to win passage of a tax program without a protracted legislative battle, before the Aug. 1 congressional recess.

The White House move Friday was to intensify the pressure on Democrats after Rep. Rostenkowski and other Democrats on his committee rejected a White House compromise offer. The Democrats balked at the multiyear feature of the Reagan plan and insisted that benefits from any tax cut be "targeted" to favor taxpayers in the \$20,000-to-\$50,000 income range.

The White House insists that any tax cut must be across the board — so as to benefit wealthy taxpayers by the same percentage as those with low or moderate incomes — and of average two years' duration. Mr. Reagan insists that such cuts are necessary to stimulate the economy through individuals' reinvestment of the money rebated on tax cuts.

Meanwhile, Mr. Reagan acted to delay fulfillment of his pledge last week in a speech at the U.S. Military Academy to seek higher pay for military personnel. The president has agreed with his budget director, David A. Stockman, to go along with a House Armed Services Committee recommendation to put off for three months a 5.3-percent pay increase scheduled for July.

Mr. Reagan has agreed to add the 5.3-percent increase on a 9.1-percent rise scheduled for Oct. 1, according to Larry Speakes, the deputy White House press secretary.



BACK TO WORK — The Nimitz, the U.S. nuclear-powered carrier, leaving Norfolk, Va., over the weekend to resume a training cruise interrupted when a jet crash caused 14 deaths.

U.S. Bank Aide Involved in Shah's Entry Reportedly to Be Named Envoy to Rabat

By John M. Goshko

WASHINGTON — Administration sources say that President Reagan tentatively plans to nominate as ambassador to Morocco a Chase Manhattan Bank official who was involved in a 1979 controversy about whether David A. Rockefeller and Henry A. Kissinger had pressured the Carter administration to admit the late shah of Iran to the United States.

The sources said on Friday that the embassy post in Rabat was expected to go to Joseph Reed, a Rockefeller aide and Chase Manhattan board member who has handled many of the bank's dealings with foreign governments and clients.

In that capacity, Mr. Reed is known to have been in charge of efforts by Mr. Rockefeller, Chase Manhattan's former chairman, to assist the shah, Mohammed Reza Pahlavi, after he was forced into exile in 1978. The shah had been an important client of the bank for years.

Places of Refuge

The efforts included helping the deposed shah find places of refuge and, according to former Secretary of State Kissinger, pressing the campaign to get the shah admitted for medical treatment in the United States in October, 1979 — a move that helped provoke the seizure by Iranian militants of the U.S. Embassy in Tehran and the resulting 14½-month hostage crisis.

Mr. Reed could not be reached for comment Friday. However, Charles Francis, a Chase Manhattan spokesman, said that Mr. Reed

"understands he is being considered for an ambassadorial post." Although Mr. Francis said it would be "inappropriate" to discuss specifics, he added, "If he is asked, Mr. Reed certainly would be honored to serve."

Shortly after the hostage crisis began on Nov. 4, 1979, allegations were made that President Jimmy Carter had been pressured by Mr. Kissinger and Mr. Rockefeller to provide medical sanctuary for the shah.

In a column in The Washington Post on Nov. 29, 1979, Mr. Kissinger contended that he had become involved in assisting the shah

Relocating the Shah

at the request of the Carter administration and that he, in turn, had appealed to Mr. Rockefeller for help. He said Mr. Rockefeller initially had been reluctant to do anything that might jeopardize Chase Manhattan's relations with revolutionary authorities in Iran.

Relocating the Shah

Mr. Kissinger added that both he and Mr. Rockefeller had helped the shah in relocating his residence from Morocco to the Bahamas and subsequently to Mexico, and with such matters as arranging schooling in the United States for the shah's children.

Mr. Kissinger said contacts with the U.S. government on these matters had been handled by Mr. Reed.

Later, Mr. Kissinger said, after it became known the shah was suffering from cancer, Mr. Reed presented medical evidence of the shah's condition to David Newsom, who was the undersecretary of state for political affairs.

Mr. Kissinger wrote: "My understanding is that Joseph Reed presented the medical records to Undersecretary Newsom, and on the basis of those records the administration admitted the shah for treatment."

Morocco is a pro-Western monarchy whose ruler, King Hassan II, has been engaged in overcoming domestic unrest. Despite the concern of many observers about the stability of King Hassan's rule, the United States has been moving to give him increased arms support for a campaign against Algerian-supported guerrillas in a disputed region of the Western Sahara.

U.S. Speeds Program for Strike Force

Army General Seen As New Commander

By George C. Wilson

WASHINGTON — The controversial Rapid Deployment Force (RDF) for responding to Gulf emergencies is getting some new marching orders, according to military sources.

One order calls for moving toward an independent command status at a quicker pace, sources said on Friday, while another order will put the fledgling outfit under an Army general rather than a Marine general.

To the consternation of some Reagan administration executives, Defense Secretary Caspar W. Weinberger announced April 24 that it would take from three to five years for the RDF to advance from its stepchild status as a planning arm under the U.S. Readiness Command at MacDill Air Force Base in Tampa, Fla.

At the end of that time, the RDF was supposed to become an independent command — one that would not have to report through the Readiness Command, as is the case now, to the Joint Chiefs of Staff.

Critics in the administration, including some in the White House, argued that the three-to-five-year evolution was far too slow for an outfit that was supposed to rush troops to the area of the world most critical to the United States, the oil-rich Gulf.

With no public announcement, the administration has scrapped the Weinberger timetable and told the RDF command at Tampa to get ready to assume an independent status as soon as possible. Mr. Weinberger has decided on making the RDF a separate, additional unified command.

Still undecided is where the RDF flag will fly once it becomes an independent command. There is sentiment within the military to put the new RDF close to the place of possible action, ideally some stable country in the Gulf that would allow a U.S. presence.

The second change, putting the RDF under an Army general when its current commander, Marine Lt. Gen. P.X. Kelley, becomes assistant commandant of the Marine Corps in July, is expected to be announced soon.

Informed military leaders said Gen. Kelley was out of the victim of any Army power play. Instead, Marine leaders requested his reassignment to fill the vacancy to be left in July by the retirement of a Marine four-star general.

2 Cuban Exiles in Letelier Case Acquitted of Murder at 2d Trial

Laura A. Kiemann

WASHINGTON — Two anti-Castro Cubans have been acquitted by a U.S. District Court jury of murder and conspiracy in the 1976 assassination in Washington of Orlando Letelier, the former Chilean ambassador. The verdict, reached Saturday, was a dramatic reversal of another jury's verdict more than two years ago convicting the two men on all charges.

The defendants, Guillermo Novo Sampol and Alvin Ross Diaz, had been serving life terms in prison until a federal appeals court granted them a new trial.

But the second jury convicted Mr. Novo, 41, of making false statements to the federal grand jury that was investigating the assassination of Mr. Letelier, who was 44, and an associate, Ronni Karpen Moffitt, 25. They were under Mr. Letelier's car on Sept. 21, 1976. Mr. Novo could be sentenced to 10 years in prison on the false-statement charge.

After the verdict, Mr. Ross, 48, said he planned to start trying "to overthrow Castro." He and Mr. Novo are members of an anti-Castro movement in northern New Jersey.

U.S. Attorney Charles F.C. Ruff declined to comment on the jury's decision.

The defendants won a new trial after the appeals court had ruled that testimony against them from

fellow prisoners had been improperly introduced as evidence at the first trial.

Reached at her home in Washington, Mr. Letelier's widow, Isabel, said: "I think justice has different ways of showing itself. My husband is not here anymore. What can I say? Ronni is out here anymore."

The government's case had rested heavily at both trials on the testimony of its key witness, Michael Vernon Townley, an American-born agent for the Chilean secret police when it was known as DINA. Mr. Townley told both juries that under orders from his superiors in the secret police, he had recruited the Cubans to help him carry out the murder of Mr. Letelier, an outspoken critic of the military regime of Chile's president, Gen. Augusto Pinochet.

Mr. Townley pleaded guilty in 1978 to conspiracy to murder a foreign official and is serving 3½ to 10 years in prison.

The defense lawyers, Paul A. Goldberger and Lawrence A. Dubin, charged during the trial that Mr. Townley was a liar who had made a deal to cooperate with the U.S. government to protect himself after he was expelled from Chile in 1978 and that he then implicated the Cubans to bolster the prosecution's case. Mr. Novo and Mr. Ross did not testify at either trial.

The defense theories at the two trials were sharply different. At the

first trial, which ended in convictions, the defense contended that the CIA had arranged the murder of Mr. Letelier, with Mr. Townley acting as a double agent.

At the retrial the defense said that the Chilean government, its secret police and Mr. Townley had carried out the murder plot and that Mr. Townley had detonated the explosive that blew up Mr. Letelier's car.

Mr. Letelier had held high-ranking positions under the coalition government of Salvador Allende, the Marxist president who was killed during a military coup led by Gen. Pinochet in September, 1973. Mr. Letelier spent a year in a Chilean prison camp and then was expelled from Chile and came to the United States with his family in 1975. He and Mrs. Moffitt were employed at the Institute for Policy Studies in Washington when they were killed. Mrs. Moffitt's husband, Michael, was also in the car but survived.

The prosecution contended that the Cuban defendants had hoped to establish a government-in-exile in Chile and that they had wanted to gain favor with the government there by helping to kill Mr. Letelier, who had been stripped of his Chilean citizenship and declared an enemy of the country.

The defense said the Cobans had never received any help from Chile and had been made "scapegoats" in the Letelier case in order to shield the Pinochet government from culpability in the murders.

U.S. Panel Asks Doubled Mexican Quota

By Robert Pear

WASHINGTON — A Cabinet-level advisory committee has decided to recommend that President Reagan ask Congress to double the annual limit on legal immigration from Mexico and Canada.

There is now a limit of 20,000 immigrants a year for natives of any foreign country. The panel, in a report scheduled for submission to the president in the next few weeks, suggests increasing the limit to 40,000 each for Mexico and Canada.

It also proposes penalties for employers who hire illegal aliens, an experimental program to admit Mexicans as "guest workers" and an amnesty for about a million illegal aliens.

The proposal to raise quotas "recognizes the unique relationship with our neighbors" and "provides a means for reducing pressures for illegal immigration from Mexico," says the final draft of the report by the President's Task Force on Immigration and Refu-

gees Policy, headed by Attorney General William French Smith. Seven other Cabinet officers are members.

The report recommends a "moderate increase" in allocations for the Immigration and Naturalization Service for additional Border Patrol agents, investigators and other personnel.

"Increased enforcement resources and employer sanctions," the report says, "in combination with a pilot temporary worker program, will reduce substantially illegal immigration by expanding the opportunity for Mexican nationals to work lawfully in the United States and by prohibiting employers from hiring Mexicans outside of that program."

In recent years Mexico has used its quota of 20,000 visas but Canada has used only 12,000 to 16,000 visas. Under the task force's proposal, visas unused by Canada could be used by Mexico.

The task force estimated that its proposals would cost \$256 million to \$286 million a year. Much of the cost, it said, could be offset by in-

creasing the fees charged by the government for providing various immigration benefits to aliens.

The report was originally to have been submitted to the president in the first week of May. Then officials said May 25 was the target date. Mr. Smith, at a breakfast meeting with reporters Thursday, said the study would probably not be submitted until after Mr. Reagan meets in Washington on June 8 and 9 with President Jose Lopez Portillo of Mexico.

The task force said there was a net influx of 500,000 illegal aliens each year and that its recommendations, if accepted, might reduce the flow to 100,000 a year, with the U.S. population growing to 267 million by the year 2030 from the present 226 million and the Hispanic contingent rising from the present 6.5 percent to 10.4 percent.

The report estimated that if illegal immigration continued at current levels, Hispanics could account for 15 percent of the U.S. population in 2030.

Nixon Accepts New York GOP Invitation

By David S. Broder

WASHINGTON — It is billed as a "Salute to the Reagan-Bush Administration" and Republicans in Congress. But the guest who will probably attract the greatest attention at the New York State Republican Committee's fund-raising event at Lincoln Center on June 15 may be Richard M. Nixon.

Mr. Nixon, who has stayed on the fringe of party affairs since his resignation as president almost seven years ago, has accepted the invitation from the state party chairman, George L. Clark Jr., to be one of "the luminaries" at the \$200-a-person reception.

Mr. Clark said Friday that the news of Mr. Nixon's participation had been "received with delight" by county chairmen who are helping to sell tickets to the expected 2,000 guests. It came as a surprise to many of the invited Washington notables.

"I was certainly not aware of that," said Sen. Warren B. Rudman of New Hampshire, when he

was told of Mr. Nixon's participation. "I accepted as a favor to the Republican National Committee, but I think Mr. Nixon's role is inappropriate. I'm not sure I'll go."

Sen. Rudman got out the letter of invitation from Mr. Clark and confirmed that it made no mention of Mr. Nixon. "Just say it leaves a bad taste in my mouth," he said.

Mr. Clark said he had decided to "invite the former president as one of the luminaries and celebrities living in New York," adding, "I didn't discuss it with anybody in Washington." He said former Secretary of State Henry A. Kissinger had also been invited and had accepted.

Neither President Reagan nor Vice President Bush had been invited, he said, Mr. Reagan because "we hope to do a special fund-raising thing with him later" and Mr. Bush because "he's been in New York so often already this year."

Several of the senators and administration officials Mr. Clark had said were coming asserted he was mistaken, in each instance saying that Mr. Nixon's role was not the reason.

Ohio Appearance Recalled

Among those who were listed by Mr. Clark to be honored and who said they would not be in New York were the Senate majority leader, Howard H. Baker Jr.; the White House chief of staff, James A. Baker 3d; and Treasury Secretary Donald T. Regan.

Secretary of Labor Raymond J. Donovan, Secretary of Housing and Urban Development Samuel R. Pierce Jr. and Rep. Jack Kemp of New York confirmed Mr. Clark's statement that they had accepted. Several others could not be reached.

Mr. Nixon created some controversy in February when he accepted an invitation to be the speaker at a Columbus fund-raising dinner

benefiting Republican candidates for the Ohio state senate. The event was a financial success, but the state GOP chairman, Earl T. Barnes, called Mr. Nixon's appearance "a disservice" to the party. Mr. Barnes and Gov. James A. Rhodes did not attend.

Mr. Nixon did not attend the Reagan inaugural, but he has been telephoning friends in Congress and the administration, offering suggestions on domestic and foreign policy.

Vatican Receives Study on Shroud

The Associated Press

LOS ALAMOS, N.M. — Scientists who examined the Shroud of Turin in 1978 have given the Vatican a summary of their findings, which concludes that the image on the cloth was not painted and that apparent bloodstains were indeed caused by blood.

The 85-page summary was delivered at the Vatican earlier this month, Larry Schwabbe, a physicist at the Los Alamos National Laboratory, said last week. After citing the two main conclusions, he added that the shroud remains a mystery. "We would like to know very much how the image got there, but so far we don't have any really convincing ideas," he said.

The shroud — revered by some Christians as the cloth wrapped around the body of Christ before entombment — bears the shadowy image of a bearded man with wounds like those the Bible says Christ suffered. The summary, entitled "Physics and Chemistry of the Shroud of Turin: Summary of the 1978 Investigation," is too long to appear in a periodical, Mr. Schwabbe said. "We are now considering publishing it as a short, technical monograph."

Secretary of State Alexander M. Haig Jr. complained to Mr. Smith after the rate of Indochinese refugees entering the United States dropped from a scheduled 14,000 a month to less than 10,000 a month.

Kenneth W. Starr, an adviser to Mr. Smith, said Saturday that the attorney general discussed the issue in mid-May with Morton Abramowitz, the U.S. ambassador to Thailand. "The Justice Department, through INS, at this time is deferring to State on the refugee status of these people," Mr. Starr said.

David Crosland, the INS general counsel, said Saturday that none of the 5,000 persons held back since the first of the year had ties to the United States. There are more than 300,000 potential refugees from Vietnam, Cambodia and Laos in camps in Thailand.

U.S. Reverses Policy, to Admit 5,000 Asian Refugees

By Charles R. Babcock

WASHINGTON — Attorney General William French Smith has yielded to State Department complaints and halted a rejection of Indochinese immigrants that was helping a politically sensitive backlog of refugees to build up in Thailand.

The Immigration and Naturalization Service had stalled the processing of about 5,000 Indochinese because its officers in Thailand

concluded that they were fleeing for economic rather than political reasons.

Traditionally the United States has considered anyone fleeing a Communist country as a refugee, but Congress passed a law last November redefining the term. The new definition of a refugee is someone who fled his or her country because of persecution or the threat of persecution and who could not return.

The law required INS district directors to determine who fit the definition before asylum could be granted. Generally the result has been to disqualify those who cite economic reasons.

The State Department objected that the INS should consider foreign policy and humanitarian implications. At stake, officials said, were U.S. commitments to South-

east Asian governments to relieve some of the burden posed by hundreds of thousands of Indochinese refugees. Moreover, there was fear that if U.S. resettlement dropped off sharply, South Asian countries would resume turning away "boat people."

Ford to Pay \$6.3 Million

The Associated Press
SAN BERNARDINO, Calif. — A California appeals court has ordered Ford to pay \$6.3 million to a man burned on 90 percent of his body when the gas tank of a Pinto exploded in a rear-end collision in 1972. "Ford's institutional mentality was one of callous indifference to public safety," said a 111-page opinion Friday. Ford announced an appeal to the California Supreme Court.

U.S. Copter Crash Kills 6

The Associated Press

BEAUMONT, Calif. — A helicopter owned by a medical center crashed Thursday in a wooded canyon east of Los Angeles, killing six people aboard, authori-



WHEN YOU TELL 'EM BACK HOME HOW YOU "REINED" IN IRELAND, SAVE SOME IRISH POUNDS ON THE CALL.

The Irish have a way of making you feel like a queen. They put you up in one of their ancient castles. Invite you to lavish medieval banquets at night. And show you the most beautiful countryside in the world by day—in a jaunting cart, no less (with you holding the reins). But before you share it all with the folks back home, check out these pound-saving tips.

SAVE ON SURCHARGES

Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel

surcharges reasonable, go ahead and call. No Teleplan? Read on! There are other ways to save.

SAVE WITH A SHORTIE

In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.

SAVE THESE OTHER WAYS

Telephone Company credit card and collect calls may be placed in many

countries. And where they are, the telephone surcharges on such calls are usually low. Or you can avoid surcharges altogether by calling from the post office or from other telephone centers.

SAVE NIGHTS & WEEKENDS

Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

You'll save a lot of green when you follow these tips. And a lot of gas when you travel by jaunting cart.



Reach out and touch someone

Hope Glimmers in Lebanon

There is a glimmer of hope out of the gloom of Lebanon. It is not simply that U.S. shuttle diplomacy, conducted by Philip C. Habib, has helped Syria and Israel avoid war so far. It is that some of the parties, Lebanese and foreign, give signs of using the time thus bought to work on the underlying problem of the fractures within Lebanon. Since the terrible civil war of 1975-76, the situation in that poor country has been frozen at the good moments and otherwise deteriorating. The possibility emerges, however, that the context was one in which things had to get even worse before they could get better. They got worse in April. In May?

Let's evade that question for a moment, and go back to Mr. Habib. His purpose has been to deal only with the "immediate" Israeli-Syrian issue. The first requirement is to find a face-saving way for Syria to take out the missiles it moved into the Bekaa Valley. The solution being talked of, in public anyway, entails introducing Lebanese troops into positions occupied in their shoving match last month by Christian Phalangists and Syrians. Lebanese troops would presumably not need a missile defense, so the missiles could be withdrawn. That would let Israel stand down.

Syria has drawn fair value — restoration of good Arab standing, renewal of a U.S. dialogue, a boost for President Hafez Assad — from the crisis already. The Israeli government, under attack at home for bringing on and then misplaying the crisis, has been unable to draw the nation together and needs an escape hatch. Can Mr. Habib, with the Saudis helping in Syria, open one?

The Syrians, meanwhile, have joined tentative talks aimed at eventual Lebanese "national reconciliation" — getting warring Christians and Moslems to restore civil ties. In particular, Syria is talking with Christian Phalangists, whom Israel has sought to enlist as security partners. This is critical. National reconciliation is a long shot. To have the faintest chance, Syria must encourage the Christians to try it, and the Israeli-Christian connection must be loosened. It isn't clear to us whether Mr. Habib is poised to move into the Lebanese realm, or whether he should. Perhaps it is enough for the moment that the idea of reconciliation is stirring again in Arab minds.

Any reconciliation effort leads to the Palestinians, unwilling and unwanted residents of Lebanon who tear the country up. No reconciliation is possible without taking them into account. At the same time, Israel cannot and should not countenance any Lebanese scheme that lets Moslems and Christians coexist but leaves Palestinians free to continue attacking Israel.

The evident answer is to divert Palestinian passions into political channels. Just as the Israeli-Syrian crisis fades into the Lebanese issue, the Lebanese issue fades into the Arab-Israeli conflict. It's a diplomatic double play. Crisis diplomacy and the Arab talks on Lebanon are incomplete without further contributions from the Israelis, after their elections this month, and from the United States as well. The Middle East, always a nervous place, is getting interesting again.

THE WASHINGTON POST.

Wobbly Spain

Whenever political violence occurs in Spain, there is heard a familiar, complacent theory: The Spanish are by nature immoderate, too deeply divided by doctrinal and regional passions to sustain a democracy. As evidence this year, pessimists point to the brief seizure of parliament by rightist Civil Guards, the bloody renewal of Basque terrorism, the recent seizure of a Barcelona bank, presumably by rightists, and now an apparent plot to kill the king.

Spain's democracy is undeniably fragile; ancient divisions persist. A gloomy proverb holds that one-half of Spain will never be content until the other half is dead. But what is surely more remarkable is the determination of most Spaniards to contain the assault on a promising political maturity.

That determination is borne out by a poll taken after the abortive coup in February. Only 4 percent of the Spanish people said they wanted the coup to succeed; 76 percent were opposed. It is borne out as well by solid support for the right-center regime of Premier Leopoldo Calvo Sotelo. Leftist parties have rallied to help him rescue democracy, to the extent of alienating some of their own followers.

The fate of Spain's democracy is not only an "internal matter," as Secretary of State Alexander M. Haig Jr. too airily remarked

after the coup. If it fails, so do Spain's hopes for joining the European Economic Community and NATO. And a coup would send a disturbing tremor through the region, weakening democracies in Portugal, Greece and Italy.

None of this need happen if the Spanish government prevails against the minuscule corps of Basque terrorists and the restless armed forces. Madrid has granted substantial home rule to Basques and other peoples, but separatist gunmen want nothing less than total independence. Basque extremism could provide the pretext for another military uprising by a disaffected officer corps now restrained mainly by its loyalty to the popular king, Juan Carlos.

Spain's European neighbors and the United States cannot save Spanish democracy from a military bent on destroying it. But they can surely help deter insurgency by public support for a challenged democracy, and with private signals to the headstrong generals and colonels. In the 1930s, the Western democracies undermined a Spanish Republic by denying it help while Germany and Italy aided its adversaries. To appear indifferent again to Spain's internal struggle would be to betray not only the Spanish people but also U.S. values and interests.

THE NEW YORK TIMES.

International Opinion

The 'Northern Mentality'

The crisis in Italian society is profound. Italians have long recognized a Southern appetite for corruption and for ensuring the institutions of the state in conspiracy and self-interest. The shortcomings of "the Southern mentality" have been seen as one of the main burdens of united and independent Italy.

But Italians have been forced by the latest scandals to ask whether there is not a Northern problem too, which penetrates both private and public life. Optimists may argue that the country is sustained by an alert business community, a skilled labor force, and a capacity for flexibility and tolerance in everyday life. Some parts of the system and the political world are indeed healthy, but a nation which saw the botched response to the Southern earthquake in November and is now immersed in the revelations of Italy's biggest postwar scandal will not be persuaded easily to write off the present government hiatus as little more than an ordinary political hiccup.

— From The Guardian (London).

Britain's Oil Price

The price of Britain's North Sea oil is far too high. It is grossly overpriced by the levels of the marketplace, where cargoes of North Sea are fetching 15 percent less than the contract prices charged by the British National Oil Corporation (BNOC). It is 20 percent higher than the prices charged by Saudi Arabia, which has been fighting a lone battle to bring some order and moderation to OPEC's pricing policies. Saudi Arabia's struggle to achieve some ra-

tionalized system of oil pricing, albeit self-interested, is crucial. Its view that the violent fluctuations in oil prices should be stopped, and that the producers should be given some incentive, just as the consumer should be given some assurance against disruption, is surely a view that fits in well with Britain's own needs.

Britain today is both an oil producer and a consumer. A gesture now to unlock its prices — and to move down a little towards the middle range that Saudi Arabia seeks — would be statesmanlike, and in keeping with [Prime Minister Margaret] Thatcher's beloved doctrine of the marketplace.

— From The Observer (London).

Role in South Africa

The [South African] Nationalists have held uninterrupted power for a generation. The state of South Africa today is their doing. Their role is seriously threatened neither from outside nor from within.

Militarily South Africa is in a different class from all other African states. Its police are as effective as they are repressive; domestic protest, though sometimes bloody, remains episodic.

Ultimately it is not [Prime Minister P.W.] Botha or anybody of his generation who will decide the fate of South Africa. It will be decided either by a racial armageddon too frightening to contemplate; or by changes in the thinking and behavior of the younger generations, both whites and nonwhites.

If the rest of the world has a role, it is to encourage any signs of imagination, human sympathy and the recognition, however reluctant, of the virtues of power-sharing.

— From The Sunday Times (London).

In the International Edition

Seventy-Five Years Ago

June 1, 1906

MADRID — Amid much regal pomp and state, King Alfonso of Spain and Princess Ena of Battenberg were married yesterday in the Church of San Geronimo. The day would have been one of national rejoicing but for the perpetration of a dastardly anarchist outrage that killed and wounded many persons. The nuptial procession was returning to the palace when a bomb concealed in a bouquet was thrown from the upper floor of a house. It exploded to the right of the carriage between the last pair of horses and the front wheels of the carriage, killing both horses and groom. Neither the king nor his bride was hurt, but the king was terribly saddened their wedding day.

Fifty Years Ago

June 1, 1931

PARIS — Victories for France and Germany brought to a close the French hard courts tennis championships for 1931 at Roland Garros stadium yesterday. Jean Borotra, the "Bouncing Basque," proved he was still capable of amaleptic antics by beating Christian Boususs, one of France's second-string hopes, in four sets. Boususs tried to stave off the stinging drives that streamed off Borotra's racket, but he, like many others, discovered that extraordinary skill is required to combat the Basque's net game. Cliffe Aussem, the German woman's champion, proved that greyhound talents for speed and endurance were of greater importance than the slugging arm of Betty Nuthall of England.



The Fact That I'm Firmly Committed to This Course Doesn't Mean I Wouldn't Consider Other Ideas.

Begin's Political Tour de Force

By Stephen Klaidman

PARIS — At the end of February, an Israeli newspaper's opinion poll showed Prime Minister Menachem Begin's ruling Likud bloc trailing the opposition Labor Party by more than 2-1.

What's more, Mr. Begin's party was also behind the upstart faction headed by former Defense Minister Moshe Dayan.

Now, only three months later, the polls and the pundits are predicting a Begin victory in the June 30 national election. Why the turnaround? Because the wily prime minister, who developed his craft in 30 years of opposition, has put on as dazzling a display of politics as anyone has seen in recent times.

In the process, Mr. Begin, who is stiff-necked and given to lecturing

CROSSCURRENTS

others on ethics and morals, has left himself wide open to charges ranging from cynically manipulating the economy for political gain to needlessly endangering the lives of Israeli soldiers and even risking war against Syria to guarantee his re-election.

Consider the following series of actions in recent months:

• The Begin government cut the sales tax on luxury items such as television sets and automobiles despite the fact that Israel's inflation rate was more than 130 percent. Israelis buy goods such as television sets and cars as a hedge against inflation.

• Mr. Begin went into the West Bank and promised that Israel would continue to build settlements to populate the territories captured during the 1967 war. That position is popular not only with the settlers, but with the North African Jews who form the core of the prime minister's constituency.

• In early May, after Helmut Schmidt visited Saudi Arabia, Mr. Begin escorted the West German chancellor in language calculated to make diplomats cringe and a segment of the Israeli electorate respond in grim satisfaction.

Unusual Language

Irrespective of the merit of Mr. Begin's argument — that in considering the sale of arms to Saudi Arabia and in articulating a West German commitment to the Palestinian people Mr. Schmidt was being morally obtuse — the prime minister's choice of words was extraordinary. Mr. Begin accused Mr. Schmidt of not being "aware of the obligation toward the Jewish people of which Germany destroyed one-third." He then lumped French President Valery Giscard d'Estaing with Mr. Schmidt and charged the two leaders with "unbridled greed and avarice."

Letters

Why?

Re: "On Assassinations: The Deadly Fringe" by William Safire and the Washington Post editorial "The Shooting in Rome" (IHT, May 15).

To the questions "Is oathing

in anybody's ability to fix it. This is an area in which the voters are at least as cynical as the politicians.

No one knows for sure, of course, if Mr. Begin will win. Mr. Dayan is the wild card in the deck. If his party wins enough seats in the Knesset, it could disrupt the usual pattern under which the National Religious Party holds the balance of power. If that should happen, Mr. Dayan seems more likely to be able to make a deal with Mr. Begin than with Mr. Peres.

If Mr. Begin loses, it won't be because he didn't try all his political gifts in using to win, or because they were insufficient. It might be, though, because he overplayed his hand.

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Coping With Vietnam's Legacy

By Arthur Egendorf

NEW YORK — Officially, the Vietnam War is over, but it still goes on in American minds.

The battle lines are so ingrained that the old conflicts are played out without the consequences being noticed. Some of the war's aftereffects are obvious.

Take the men who fought in Vietnam, for example. A study that was mandated by Congress and based on interviews with a random sample of 1,400 men who came of age during the Vietnam era provided a systematic comparison between veterans and nonveterans.

On the average, those who served in Vietnam today have less education and lower-status jobs than other men of the same age and background. Among veterans with Vietnam service, those who saw heavy combat are more likely to use alcohol and drugs, to have criminal records, and to suffer from medical problems and stress-related symptoms. As a rough estimate, half of the nearly 3 million men who served in Vietnam are still burdened by unresolved war experiences.

A Major Casualty

The United States must begin to recognize that along with the dead and wounded, the sense of common purpose was a major casualty. The strain on former soldiers, who risked their lives for that purpose, is only a part of the damage. Decreasing trust in public institutions, dwindling voter participa-

tion, and lagging productivity are others.

It is still hard for most Americans to talk openly with each other about the events of the war years. Men who served in the military tend to think that others neither know nor want to understand what it was like. Nonveterans are often constrained by a mix of sympathy and envy for former soldiers, along with a sense of relief tinged with guilt that they themselves were spared.

Hawks and doves still barrage each other with their respective versions of what took place during the war years. But the public debate has ignored the second thoughts, mixed motives, and yearnings for reconciliation that members of both groups sometimes acknowledge in private.

Each side invokes its favorite lessons of Vietnam. Usually, however, these are old polemics. Most Americans, regardless of their place on the political spectrum, are still acting out a fantasized morality of "goodies" and "baddies." Whatever went wrong in Vietnam was "their" fault; it would have worked out differently if "they" had listened to "us."

Adding to Problems

Hawks and doves agree that Vietnam veterans have difficulties. But each side uses these problems as a further indictment of the other's mistakes, while ignoring how their own sympathy for veterans adds to the problem — in two ways.

First, along with appropriate programs, veterans need self-respect, not pity. Casting these men as victims in order to prove someone else at fault only fuels an unfortunate tendency among men in pain to settle for something less than dignity.

Second, by labeling veterans as the problem group, Americans detach themselves from the consequences of the war. Only a small minority have demonstrated the courage to speak of our war in Vietnam and of what we as a coun-

By Leopold Unger

Cardinal Wyszynski, Poland's Moral Ruler

By Leopold Unger

BRUSSELS — "Militant atheism has tried everything to turn us into a secular nation, a nation of unbelievers. We have been subjected to the humiliation of prison, but we have succeeded in saving what is most sacred in the nation," said Cardinal Stefan Wyszynski, the man who did more than any other to defend his country's church.

The cardinal, who died last week at 79, rose from peasant origins to become a prince of the church.

In the Poland of the ancient regime, when a king died, it was the cardinal primate who legally became the regent and who symbolized the legitimacy of the system while awaiting the election of a new king.

During the years of Communist rule in Poland, the primate Cardinal Wyszynski has been the de facto regent despite, or rather because of, the regime that was imposed by a foreign power. He also was the symbol of legitimacy and continuity of the nation's history. Under his guidance, the church became the haven of the nation's fundamental values. The more the Communist system attempted to erase the past, the more the nation's history was identified with that of the church.

The 30 years that Cardinal Wyszynski was head of the Polish Catholic Church were troubled years for the church, the state and the nation, and it is largely due to his authority that both church and nation have managed to surmount the difficulties that grew out of the reaction to an alien system of government.

It was because he knew how to be firm and uncompromising and when to be moderate and understanding that he was able to resolve an unending series of confrontations.

Cardinal Wyszynski became a master in the art of dialogue with Communist authorities. He developed a strategy whereby he would obtain from the regime whatever additional liberty he could for the church, while remaining fully aware that because the system was fragile, he could not get more without running the risk of a serious domestic confrontation or of foreign intervention.

Authority Grew

The late cardinal granted audiences to five succeeding heads of the Polish Communist Party. Each time, the Communist leaders went to see the head of the church at the peak of a domestic crisis to seek a way to save the nation. But all was not always honor for him; he spent three years as a prisoner of the regime.

Yet under his leadership the Polish Church became stronger and acquired an authority greater than any church in any other industrialized nation. Those who are opposed to the failures and repre-

sion of the Communist system look to the church for support, those who submit to the regime look to the church to plead their cause, and the government itself looks to the church to set an example of moderation.

This extraordinary role of the church in the nation was unquestionably taken into account during the election of the first Polish pope, Karol Wojtyla, a disciplinarian and spiritual heir of Cardinal Wyszynski.

The primate acted within the often too inflexible framework of church doctrine, as an uncompromising defender of the rights of the individual, the family, the nation and the church. He attacked the abuse of power and the injustices that grew out of the Communist system. But he always remained conscious of the imperatives of geopolitics.

Even if all his actions were not always fully and immediately understood by the population, he never hesitated to negotiate with the Communists when he believed that the interests of the nation were at stake.

Wrong Steps

It was, therefore, perfectly natural that the cardinal was on the side of the workers when they initiated the movement that was to become the independent union Solidarity. He protected and inspired the movement. And if during the period that followed the popular outburst of enthusiasm, the aged cardinal succumbed to ill-advised counsel and was not always able to avoid taking some steps in a wrong direction, he nevertheless remained the firmest pillar of the Polish reform movement.

The cardinal died at a particularly dramatic period in the history of Poland, when the other source of Catholic Polish spirituality, Pope John Paul II, has been removed from the public scene temporarily by a terrorist's bullets. The pope's influence can be measured by the fact that his portrait was the only banner of the strikers at the Lenin shipyard at Gdansk and that friends of the pope and the cardinal are among the closest advisers of Lech Walesa, the leader of Solidarity.

Finding a successor for the cardinal will be particularly difficult at a time when Poland is being assailed by Moscow and when stability would be far more useful than a change of the guard.

But as the cardinal himself declared, the reform movement is now irreversible in Poland and the country will never be the same as before. That, too, is largely thanks to him.

It must have been a symbol for the future of the nation that for his last public appearance, on March 28, the cardinal received Lech Walesa and a delegation from Solidarity.

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INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

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International Herald Tribune, S.A. au capital de 1.200.000 F, R.C. Paris No 72 B 212, 179/181, av. Charles de Gaulle, 92321 Neuilly-sur-Seine. Tel. 767-1245 Telex: 617718 Heraldis. Paris Cedex: Neuilly. Paris. Directeur de la publication: Walter N. Wells. U.S. subscription price \$235 yearly. Second class postage paid at New York, N.Y. (Postmaster: Please send address changes to International Herald Tribune, Attention: Fulfillment Dept., P.O. Box 11101, New York, N.Y. 10108.)

Central Newsprint Asia, Alton Lane, 24-26, Hammersmith Road, London W6 7SD, England. Tel. 0181-7481111.

1981

French Government Strives in First Days To Set a Moral Tone

By Richard Eder
New York Times Service

PARIS — There is a brief time, between the promise of the campaign and the long haul of trying to make a mark on reality, when a new government has a moment to present itself. This is done through its appointments, its first messages, usually symbolic, and its first words. These, in different ways, are all signs. Through them the government says what it would like to be, as opposed to the foreign version of what it thinks the voters would like it to be, or what reality will compel it to be in the future.

The most conspicuous thing, a week after Francois Mitterrand became the first Socialist president of France's Fifth Republic, was cheerful confusion and unsettled

le entertaining and will expect his staff to work 10 hours a day. But perhaps the clearest and most forceful expression of the tone the French government hopes to set for itself was given by its foreign minister, Claude Cheysson, in an interview with Le Monde.

Mr. Cheysson, who was a member of the Common Market Commission and whose major interest has been Third World development, has spent part of the last week sending out messages of reassurance that France will remain loyal to its Western allies. At the same time he appeared before a UN meeting on apartheid to indicate a shift in France's previous policy of opposing sanctions against South Africa.

In the interview with Le Monde, Mr. Cheysson went beyond balancing. He gave a striking picture of how the Mitterrand government meshes its beliefs in the need for firmness toward the Soviet Union, solidarity with Western Europe, and energetic support of change and development in the Third World. The picture had some unexpected affinities, as well as some expected differences, with the views of the Reagan administration.

Danger of Neutralism

Mr. Cheysson, like Washington, is bitterly opposed to neutralism in Europe, but his analysis follows a very different line. He sees it as a result of a spiritual enfeeblement, a neglect of the central moral and political duty of the West. This central duty, he argues, is to aid the Third World and give sympathetic understanding to radical movements. This is not secondary to containing the Soviet Union but essential to it.

He was, he said, "stupefied" to see that neutralism was beginning to make headway in Britain. "I tell you, there is a danger of neutralism. It results from a spirit of surrender, of a great weakness, and this makes me desperate. It is a danger I see far less in France, and this is a remarkable sign of our health."

The West, he said, must defend what it stands for: justice and freedom everywhere. "Let us speak of who we are, for pity's sake, of what we are fighting for. Let us be moved when the Greeks get rid of their colonels and when Franco dies."

"If we can convince our peoples that something is happening, something that distinguishes them from others, then I think neutralism will have no appeal. But if we are nothing, only people who think of their children, their second car, their vacation, traveling around the world, then why bother with all that, with military service or paying taxes to build a nuclear defense force?"

Mr. Cheysson is arguing that neglect of the economic and political development in the Third World in favor of containing Moscow enfeebles the very ability to contain, and that the West cannot summon up willpower from a bad conscience.

The connection has not been much made during the self-appraisal and reappraisal going on in the West. It is likely to be only one of a number of novel thoughts that Mr. Mitterrand's people will bring to the discussion.

Cheysson Sets Tone

The construction of a nuclear power station in Brittany has been canceled as part of a pledge to re-examine France's nuclear-energy policy. Prosecution of the newspaper Liberation on charges of insulting the judiciary will be dropped. Ministers have been told to live simply, and Mr. Mitterrand has said he will do lit-



Mao visiting Soong Ching-ling at her Shanghai home in 1961.

China Invites Taiwanese to Take Part In Services for Sun Yat-sen's Widow

By James P. Sterba
New York Times Service

PEKING — China has offered to let Taiwan's official airline land special flights here this week so that Taiwan-based relatives and friends can attend funeral services for Soong Ching-ling, widow of Sun Yat-sen. Miss Soong died Friday in Peking of leukemia.

[In Taiwan, sources who asked not to be identified said President Chiang Ching-kuo and the military commander in chief, Chiang Wei-kuo, sons of Chiang Kai-shek, would ignore the invitation. The Associated Press reported, Taiwanese media have accused China of exploiting for propaganda purposes the marriage of Soong Ching-ling to Sun and their efforts to unite all Chinese as patriots regardless of ideology, AP said.] Miss Soong's sister, Soong Meiling, widow of Chiang Kai-shek, resides in Livingston, N.Y.

Travel Expenses

The funeral committee in Peking, which includes the entire Communist Party leadership, offered to pay the travel expenses of Miss Soong's friends and relatives living on Taiwan to attend services starting Sunday at the Great Hall of the People, memorial services Wednesday, and a burial service at the Soong family cemetery in Shanghai on Thursday.

On Friday night, the funeral committee sent telegrams to Miss Soong's relatives and friends in

Hong Kong, the United States and Taiwan announcing her death and expressing grief. It was not known in Peking whether the telegrams reached Taiwan, which refuses to accept any direct communication from the mainland.

The funeral committee's message said: "All of comrade Soong Ching-ling's relatives and friends in Taiwan are welcomed to attend the memorial service. Special flights of China Airlines may land at Peking Airport or the Hongqiao Airport in Shanghai. The funeral committee will bear all expenses." China Airlines is Taiwan's national carrier.

It was the first time Peking had offered to allow Taiwan's aircraft to enter mainland airspace. However, since the United States normalized relations with China in January, 1979, and ended official ties with Taiwan, the mainland has treated Taiwan as a wayward province and offered to establish direct links of various kinds.

The election of Ronald Reagan, a strong supporter of the anti-Communist Taiwanese, has stiffened the Taipei leadership's resolve not to deal directly with Peking.

Sun, who died in 1925, is revered by both the Communists and the Nationalists as the father of modern China.

Perhaps to highlight her role as a link between Taiwan and the mainland, Miss Soong was appointed to senior roles in the Pe-

Barbara Ward, 67, Economist, Dies in England

LODSWORTH, England — Barbara Ward, 67, the English economist, died Sunday at her home here after a long illness. Her death was announced by the International Institute for Environment and Development, of which she was president. Five years ago she was made a life peer, becoming Baroness Jackson of Lodsworth.

She had been assistant editor of The Economist magazine and a governor of the BBC. In her writings and lectures she sought a fairer sharing of the world's resources between the rich and poor countries.

In 1967 she was appointed to the Vatican's Pontifical Commission for Justice and Peace and in 1971 became the first woman to address a synod of bishops at the Vatican.

Last year she received India's Jawaharlal Nehru Memorial Award for international understanding and donated the prize money to an Indian leper colony she had long supported. At the time of her death she was working on a book with the American environmentalist Erik Erikholm on global environment and social justice.

Paraguay Acting In Mengele Case

United Press International

ASUNCION, Paraguay — Court sources say Paraguay is acting on an extradition request from West Germany for World War II Nazi fugitive Josef Mengele, who is accused of sending thousands to their deaths at the Auschwitz concentration camp in Poland.

The sources said Friday that the government was expected to pass the extradition case on to the courts soon and that the judiciary would issue a public order calling on Dr. Mengele to appear.

Dr. Mengele's Paraguayan citizenship was annulled in 1979 on the ground that he had been out of the country for more than two years.



Gen. Kenan Evren

Turkey's Ruling General Keeping His Options Open

By Kevin Klose
Washington Post Service

ANKARA — Gen. Kenan Evren, the head of Turkey's military government and leader of the coup that suspended democracy here last September, sounds like a man interested in remaining in high office.

"I want to tell you at this stage I have not come to any decision before a parliamentary democratic system is re-established on solid ground in Turkey," Gen. Evren said in an interview at the presidential palace.

After asserting that the coup was carried out not in order for him to become president but to prevent civil war, he added, "At the time when there are normal elections for the office of president, I shall act in accordance with the will and intentions of the people."

For the interview, his staff insisted that questions be submitted in advance. Gen. Evren read most of his answers from prepared statements, and a government interpreter translated into English. But the talk ranged beyond the prepared texts, and his account is drawn solely from his contemporaneous remarks or from his responses to questions not submitted in advance.

In these answers he showed a willingness to see things in a political context, as well as defensiveness over concerns expressed chiefly in Western Europe, that de-

mocracy in Turkey has been banished for some time to come.

"I want to underscore that Turkey will return to a parliamentary democratic system," Gen. Evren said, refusing to give a date on the ground that too much complex work remained. "This shall be done not because the West wishes

Attacker Kills Businessman at Tulsa Golf Club

United Press International

TULSA, Okla. — Roger M. Wheeler, a wealthy businessman who was chairman of a computer company and owned jai alai frontons, was killed in a country club parking lot here after playing his weekly round of golf, police said.

They said Sunday that a special 11-man homicide squad was investigating the killing. Mr. Wheeler was getting into his car at the club on Wednesday when a man approached and shot him in the head with a .38-caliber weapon, police said. They said the assailant fled in a car driven by another man.

Besides heading Telex Corp., a \$150-million computer and electronics firm, Mr. Wheeler owned jai alai frontons in Florida and had extensive land and petroleum holdings. He had recently sold a Hartford, Conn., fronton, which was fined for failing to report possible game fixing before he bought it.

Employees said Mr. Wheeler had been worried about possible kidnapping, especially of his family. Telex Corp.'s vice president, J.B. Bailey, said Mr. Wheeler unsuccessfully tried to get a gun permit for the family butler to protect his wife during her morning jogs.

2 Die in Danish Shooting

The Associated Press

AARHUS, Denmark — A man ran into a crowded restaurant in this eastern port city early Saturday and opened fire with an automatic pistol, killing two persons and severely wounding two before his patrons subdued him, police said.

South Africa Using Foreign Troops in Angola Raids

By Joseph Lelyveld
New York Times Service

JOHANNESBURG — In response to allegations of atrocities made at the start of the year, South Africa has furnished some information about a battalion made up mainly of foreigners — black refugees from Angola, plus a few Europeans who would normally be described as mercenaries — that it has been using for raids into Angola against the insurgent movement known as the South-West Africa People's Organization (SWAPO).

The unit is described as a regular battalion in the South African defense forces, but the only South African citizens in it appear to be its officers and senior noncommissioned officers.

Four South African journalists who were allowed to visit the unit at its base in the western part of the area known as the Caprivi Strip, adjacent to southeastern Angola, were told that most of the troops were former soldiers in the National Front for the Liberation of Angola, one of three factions that struggled for power in the former Portuguese colony.

Others are said to be black troops who served with the Portuguese Army. The Europeans, who are from Britain and Belgium, appear in some cases to have served as mercenaries in the Rhodesian Army before signing up with the South Africans. Originally there were 21 Europeans serving in the unit, formally known as the 32d but nicknamed the "Buffalo" Battalion. But there are now said to be only eight. A South African battalion, like the 32d, normally has about 1,000 troops in it.

A spokesman for the defense forces said last week that South Africa did not regard them as mercenaries since they serve as regular members of the army at the standard rates for military pay in South Africa. The foreigners are under short-term contracts — usually for one year — that were also said to be available to South African citizens with military experience. On signing up, they are paid a bonus equivalent to \$600; they receive another \$1,800 at the end of their contracts, according to the spokesman, who said he was not authorized to say how many foreign blacks or whites were serving in the South African Army on this basis.

But the use of foreigners appears to extend beyond the 32d Battalion. When the Rhodesian regime collapsed, there were reports that members of the Selous Scouts, an elite counterinsurgency unit, had been taken into the South African Army. South Africa denied that they were absorbed as a unit but declined to say how many of the former Rhodesians had enlisted as individuals.

In January, when a South African unit raided buildings in Mozambique of the African National Congress, a movement of exiled South Africans, the two troops reported killed in the operation turned out to be foreigners, one British, the other a former Rhodesian. According to unconfirmed reports, the unit was made up mainly of former Rhodesians.

South Africa has repeatedly denied the accusations of Prime Minister Robert Mugabe of Zimbabwe that it is training black troops from his country in order to be able to conduct operations there, but the possibility that individual Zimbabweans might have been allowed to enlist in the South African Army was not ruled out by the military spokesman.

West Africans Agree on Joint Defense Policy

Reuters

FREETOWN, Sierra Leone — The Economic Community of West African States has tentatively agreed on a joint defense policy that raises questions about the future of France's military presence in Africa.

The organization's secretary, Dr. Aboubakar Diaby Ouattara, said Saturday that the 16 member countries, nine of them former French colonies, had initiated a protocol on mutual assistance during a meeting Friday of heads of state. The meeting in Freetown, ended Saturday.

Under the agreement, which requires ratification by seven members before it comes into force, each country will earmark units of its national army for joint use, Dr. Ouattara said.

The organization would set up a council made up of the community's heads of state, and a commission of defense ministers and chiefs of staff. There would also be a deputy executive secretary in charge of defense matters who would be a military officer.

The agreement was said to bring into question the future of French military bases. France has about 10,000 soldiers in Africa, and almost 2,000 of them are based in Senegal and the Ivory Coast, both members of the economic community. Under President Francois Mitterrand, a critic of French military intervention in Africa under his predecessor, Valery Giscard d'Estaing, France is reviewing its military policy in Africa.

blacks like my troops. There's a very, very nice relation between the troops and the black population.

Neither the articles nor the radio report mentioned the Union for the Total Independence of Angola (UNITA), the insurgent movement operating in the region of Angola that is closest to the headquarters of the unit. There have long been unconfirmed reports that South African forces maintain a working relation with these Angolans.

The journalists were told that 32d Battalion had killed 807 guerrillas belonging to SWAPO, which operates from Angola, in little more than two years and had lost only 40 of their own number in that period.

100 Mauritians Freed by Polisario

Reuters

NOUAKCHOTT, Mauritania — One hundred Mauritians prisoners returned home after being released by Algerian-backed Polisario Front guerrillas in the western Sahara, the Mauritania news agency reported.

The agency did not give details but the released prisoners released on Saturday were presumed to have been captured before 1979, when Mauritania reached a peace accord with the Polisario Front. Mauritania and Morocco shared the western Sahara after Spain gave it up in 1976, but Mauritania withdrew following the 1979 agreement with the guerrillas.

He said he was sure there had been no atrocities. In the interview that was broadcast last week on the state radio, he said that all South African soldiers and officers in combat zones in South-West Africa (Namibia) were required to sign undertakings that they would not commit atrocities.

The reporter for the South African Broadcasting Corp. then commented on the air that the existence of the pledges was an indirect acknowledgment that there could be a problem.

"Obviously," Commandant Ferreira said, "should you commit atrocities against the local population, you can forget about getting any information in the future. We've had very good kills on the information given us by the local population. And, besides, they are

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Instituto de Empresa
International Herald Tribune

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An international conference to be held June 10 and 11 in Madrid will focus on these and other issues of importance not only to foreign companies in Spain, but also to Spanish companies and to international companies doing business in Spain.

Organized by Morgan Guaranty Trust Company of New York, the Instituto de Empresa and the International Herald Tribune, the conference will cover four major subject areas, with presentations by the following key political and business leaders.

On the political situation:
— Rodolfo Martin Villa, Minister of Territorial Administration;
— Miguel Herrero de Mifon, Spokesman for the Union de Centro Democratico Parliamentary caucus;
— Antonio Garrigues Walker, Chairman of APD (Management Development Association);
— Alfonso Guerra, Vice Secretary General of PSOE (Socialist Party).

On legal, financial and management problems:
— Enrique Puig, Director General of Foreign Exchange Control, Ministry of Commerce;
— Edward Hodge, Personnel and labor relations manager of General Motors Spain;
— Gerardo Seifinger, General Manager Spain, Russell Reynolds Associates;
— Diego del Alcazar, Director, Instituto de Empresa;
— Manuel Soto, Managing Partner, Arthur Andersen & Co. Europe;
— Luis Vafio, General Manager, Aresbank;
— Gonzalo de las Heras, Vice-President and General Manager, Morgan Bank in Spain.

The chairman of this two-day conference will be Eduardo Merigo, Chairman of VISA-Spain, and Manuel Guasch, Managing Director of the Council of Spanish Chambers of Commerce.

Attendance will be limited in order to allow maximum participation by the audience and simultaneous Spanish-English translation will be provided at all times.

To insure that your company is represented at this timely international conference, return the registration form today to Mario Marsans, Instituto de Empresa, Mario de Molina, 13 y 15, Madrid-6, Tel.: 262 81 00.

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Conference participation fee: 65,000 Pts. or equivalent in other currency, payable in advance of the conference. Please make check payable to the Instituto de Empresa. Fees will not be returned for cancellations received after June 2.

International Bond Prices - Week of May 27

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

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ITALY

A SPECIAL SUPPLEMENT

The Italians: Far left, a Venice gondolier; far right, Venetians in St. Mark's Place. Above left, two provincial boys accompany their mothers on a tour of Rome's tourist stands. Below left, a Roman souvenir vendor, a schoolgirl and a fruit vendor.

A Nation Beset by Multiple Problems Shows Its Resiliency

A Solid Majority Is No Guarantee

By Sari Gilbert

ROME — The scandal that brought down the seven-month-old coalition government of Christian Democratic Premier Arnaldo Forlani illustrates that the fragmentation of Italian politics caused by both real and fabricated issues has reached such a point that even a respectable parliamentary majority is no longer a guarantee of a government's survival.

The scandal, which concerns the role of a secret Masonic lodge known as Propaganda Due, or P-2, has been brewing since the mid-1970s, when suspicions regarding the activities of the lodge's fugitive grand master, Licio Gelli, led to accusations that it was "a center of secret power."

It came to a head in recent weeks with developments in the investigation of Mr. Gelli's relations with bankrupt Sicilian financier Michele Sindona, now serving a 25-year sentence for fraud in the United States.

The political implications of the scandal, however, became apparent only in late May when, under pressure from opposition parties and the press, Mr. Forlani released a list of more than 950 alleged P-2 members.

Along with conservatives, the list — which

included members of parliament, top military officers and scores of high-ranking civil servants and public officials — contained members of the Christian Democratic, Socialist, Republican and Social Democratic parties, the four political groups that made up the country's center-left coalition. There were also three Cabinet ministers.

Since its formation last October, the Forlani government has won few laurels for handling Italy's social and economic problems. Not surprisingly, it has come under constant criticism from the opposition Communists, who themselves have been searching for a coherent political line since their de facto alliance with the Christian Democrats collapsed in 1979.

It is true that Mr. Forlani's government was forced to deal with a series of unforeseen events, including a tax fraud scandal involving top officers of the customs police that led to the resignation of Industry Minister Antonio Bisaglia, and the major earthquake in the south that revealed once again the government's incapacity to deal quickly and effectively with a national emergency. Next came the Red Brigades kidnapping of Rome magistrate Giovanni d'Urso, which led to a sharp split among government parties over the response to terrorist demands.

But the fact is that serious differences have existed all along among the coalition parties on questions of substance, economic and otherwise, and on considerations of political power. Despite a parliamentary majority of more

(Continued on Page 10S)

A Stormy Relationship

ROME — Recent international developments, particularly in Afghanistan and Poland, have again focused attention on the relationship between Italian Communists and the Soviet Union.

Tensions between the two, described by some non-Communist commentators as a symptom of constant disagreement on essential matters, could increase if the Soviet Union were to intervene militarily in Poland. Nevertheless, many Italian Communists' strong emotional or ideological attachment to the Soviet Union make a total break unlikely even then.

Rightly or wrongly, fluctuating relations between the Italian Communist Party, the West's largest, and the Soviet Union have been viewed by many for years as a gauge of the party's credibility.

Some critics insist that only an out-and-out break with the Soviet Union could guarantee the Italian party's genuine democratic faith. U.S. officials, while acknowledging the party's differences with the Russians, insist that party criticism of certain Soviet policies has not been

followed by action to substantiate its declared attachment to the West.

The Communists themselves say that the primary source of their credibility is their political strength — 201 seats in the 630-member Chamber of Deputies. But they insist, too, that their record during the last decade has adequately established their independence from Moscow.

There is little doubt that serious differences exist. Only a few weeks ago, Soviet foreign expert Vadim Zagladin wrote in a Soviet review that "by leaning toward social democracy," the Western Marxists or Eurocommunists were "renouncing the principles of proletarian internationalism."

But for the Italian party, disagreement goes well beyond theory.

The Italians sharply condemned the Soviet intervention in Afghanistan and defended the movement for democratic change in Poland. Last December, as fear of a Soviet military

(Continued on Page 10S)



On Sundays, the Via dei Fori Imperiali is now closed to traffic, open to pedestrians.

CITY OF LIVING, CITY OF DEAD?

ROME — A major archaeological project unveiled earlier this year by Rome's leftist city administration has caused a serious controversy over a longtime problem — how to reconcile the conservation of the past with the needs of a modern urban center.

The long-term project calls for excavations that would involve first shoring, and later tearing up, Via dei Fori Imperiali, a broad avenue built by Mussolini in 1932 largely for ceremonial uses. The wide street runs from the central Piazza Venezia to the Colosseum, passing between the Roman Forum and Trajan's Forum, and is today a major thoroughfare.

Oponents of the plan contend that it will

seriously disrupt Rome's already-chaotic traffic as well as destroy a boulevard that they say is now in itself a part of Italian history. They describe the project as a plan "to transport Pompeii into the heart of Rome" and insist that it is an electoral ploy by the Communist-led city administration, whose five-year term ends this month.

The supporters of the project — the brainchild of Rome's 43-year-old superintendent of archaeological monuments, Adriano La Regina — believe instead that it is an essential step both in saving Rome's monuments from pollution and in bringing about an overall, long-term improvement in the quality of life.

"Immediate action is necessary to protect

the monuments from further environmental damage," said Mr. La Regina, who three years ago began a campaign to dramatize the effects on Rome's artistic heritage of automobile exhaust fumes, residential heating units and vibrations from traffic. "But stopping the traffic would be only the first step," he said. The long-range goal is a vast archaeological park that residents of the city could cross by foot or bicycle.

In the process, excavations under the avenue would bring to light previously unearthed portions of the Forum of Caesar and the emperors Augustus, Nerva and Trajan.

The plan devised by Mr. La Regina, a gov-

(Continued on Page 8S)

LABOR: Pressure Growing for Moves to Reduce Paralyzing Strikes in the Public Sector

ROME — Earlier this year, Italy's Socialist minister of transport made headlines when he ordered 350 striking Alitalia pilots into the air in a largely successful effort to blunt the effects of a weeklong, Easter-season walkout.

But if the new government succeeds in persuading Italy's parties and unions to back leg-

islation limiting strikes affecting public services, it will be making history.

Since the late 1960s, Italy's three giant confederations of labor have made ample use of the right to strike. But in recent years, walkouts, particularly by independent or "autonomous" unions, that disrupt public services have become so frequent that a backlash has developed.

Faced with disruptions in postal services, train and airplane travel, urban transport and even in the services of public-health-plan doctors and personnel, there is growing public and political pressure for government intervention.

Some months ago, in the midst of several transport strikes, the transport minister made a telling remark: "In an era of great uncertainties, people must at least be assured the smaller certainties, like the possibility of taking a flight or catching a train."

New Minister of Labor Franco Foschi, a Christian Democrat, has taken up the same theme. In a letter in early May to the political parties, unions and manufacturers' associations, Mr. Foschi set out the basic points that a strike law might include. As new nationwide urban transport stoppages loomed, he pointed out that all Italians were becoming increasingly convinced of the need "to guarantee with a legislative act the civil and orderly conduct of our social life."

Mr. Foschi has suggested that a law regulating strikes might define sectors of important public interest, ban public service strikes during certain holiday periods and make conciliation procedures obligatory.

Union Codes

In an attempt to gain support from the three main unions, which in recent months have conceded that action is needed, he has also proposed incorporating into a law the unions' own self-regulation codes as well as revisions of the Fascist-period injunction law that allowed the transport minister to order pilots belonging to an independent union, ANPAC, not to go on strike.

But although Article 40 of the constitution foresees the possibility of a regulatory law for strikes, so far the unions have unanimously rejected the idea of parliamentary action, saying that it would be ineffective while representing "a grave and unacceptable attack on workers' rights."

The three unions have urged instead that self-regulation codes be extended to all sectors. But in fact, where they do exist, the codes have often been useless.

The main problem, all agree, is to a method that binds the powerful "autonomous" unions,

(Continued on Page 11S)

Predictions On Economy Are Gloomy

ROME — For years, economists, bankers and politicians here have done little but warn about impending economic and financial doom. But their Cassandra-like intonations have contrasted sharply with Italy's visible wealth and also, until recently, with some key economic statistics.

Last year, for example, while most Western economies were sluggish from the ills of a modified recession, Italy finished with an unexpected growth rate, in real terms, of 4 percent.

Although the growth was encouraging to some, it was unfortunately based largely on unchecked domestic demand, on a "buy now, next year it will cost more" mentality. Consumption and investment may have increased, but almost nothing was added to the country's long-term productive capacity, nor was a youth-related 7-percent unemployment figure reduced.

The country's record of successfully muddling through economic disaster in a style befitting the West's sixth-largest economic power no doubt will make many look askance at the most recent crop of dire predictions — most notably that of zero growth for the current year as well as impending financial disaster if something is not done to correct a balance-of-trade deficit, which stood at 18.6 trillion lire last year against 4.7 trillion in 1979.

But this time there appears to be reason to

Exchange rate: \$1 = 1,160 lire

believe that, if various actions are not taken soon to redress persistent problems, the knots — as the saying goes in Italy — will really come to the comb.

Italy, which lacks its own energy sources, has long had balance-of-payments troubles because of the heavy oil bill paid for fueling its economy.

A worrisome new development is the unprecedented fall-off in exports. After several years of export-led growth, Italian exports declined last year both in volume, by 4.5 percent, and in real terms, by 8 percent.

In recent years, Italian products have gradually been losing their competitiveness abroad. With a 1980 inflation rate of 21 percent, against 12.2 percent in the European Economic Community and 12.3 percent for OECD countries as a whole, many observers feel that the Italians have slowly been pricing themselves out of the international market.

Should there have been any doubt about this unfortunate trend, last year's trade figures were enough. When the February deficit alone measured 1.6 trillion lire, the government stepped in with a 6-percent devaluation against European Monetary System currencies as well as with drastic monetary measures designed to cool off the excess purchasing power that had been overheating the economy, keeping imports high (85.3 trillion lire in 1980) while exports were shrinking.

The measures — high interest rates and a low credit ceiling — are expected to help bring about a mild recession. But there is little optimism that they will be effective unless Italy's structural problems can be solved.

Cost-of-Living Rises

Ironically, both excessive domestic demand and the fall-off in exports, even in traditionally strong sectors like furniture and shoes, shared at least one cause: the so-called *scala mobile*, or cost-of-living escalator index, which acts as a conductor for both domestic sources of inflation and foreign ones, such as increasingly expensive raw materials and oil.

Wage indexing has existed in Italy for several decades, and the present system of quarterly adjustments of wages to consumer-price rises was adopted in 1975. For every "scatto" or rise in the escalator index — determined in relation to price increases for a basket of goods — a worker's pay envelope grows by 2,384 lire, with no corresponding increase in productivity or output. In 1980, there were 38 "scatti." In the first quarter of this year alone there were 14.

The automatic nature of the *scala mobile* has enabled the Italian worker to keep up with inflation better than his counterparts elsewhere. In fact, salaried workers' incomes rose last year by 23.7 percent.

Economists point out, however, that such increases not only ease the practical burden of inflation that elsewhere might lead to protests on governments for effective action, but they flatten out wage differentials. The *scatti*

(Continued on Page 9S)

FLAVOR STARS IN ICE ON HOLIDAY

By Daniela Petroff

ROME — Like the azaleas in spring, ice cream signals the coming of summer to Italy. The multicolored, multishaped *gelato* crops up at coffee bars, refreshment stands and ice-cream parlors (*gelaterie*) as soon as the Mediterranean sun begins to tingle the warm-weather taste buds, sometime between Easter and the beginning of May.

During the summer months, sales triple and quadruple, the ice cream offering an excuse for a date, an after-dinner family outing, or a chance to escape from the hum-drum of an evening in a hot apartment.

Total ice-cream sales in Rome alone last year topped \$32 million, and although annual per capita consumption in Italy — 16½ pounds — is still lower than it is in the United States, it is rapidly climbing.

The main reason for the expansion of the ice-cream market is the Italian imagination and artistry that goes into the product.

A top *gelateria* may offer as many as 60 or 70 flavors, ranging from plain old vanilla and chocolate to flavors such as cantaloupe, watermelon, raspberry, apricot, grape, fig, prickly pear and persimmon.



Other flavors take their inspiration from candy and pastry, such as *ganachya*, from a chocolate-drop speciality of Turin, or *torrone*, a type of iced nougat, or the egg-and-rum *zabaglione*. For spirited taste buds, there is vanilla ice cream drowned in whisky or cognac.

According to Alberto Pica, the president of the association that represents ice-cream parlors and coffee bars in Rome, Italy's ice-cream makers "hit the jackpot" with the fruit craze. "When we introduced the multi-fruit-flavored varieties a few years ago, the sector went wild," he said.

Much of Italian ice cream is homemade. In Rome, only one-fourth of total sales go to



Priest, students and ice cream cones.

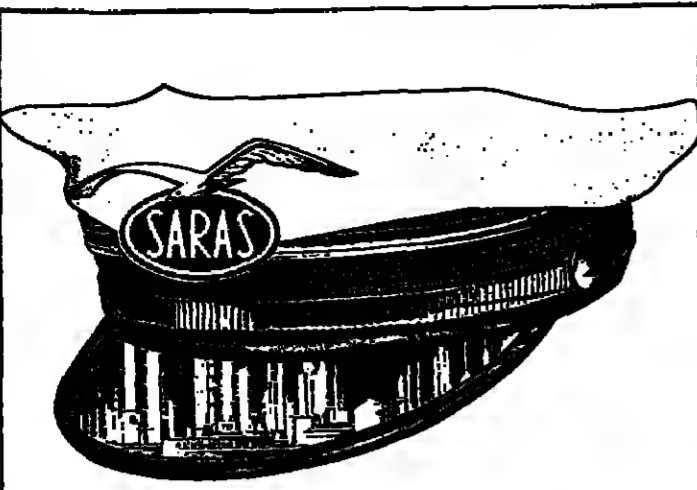
the makers of pre-packaged, preservative-added ice cream. In Italy as a whole, the proportion is 70 percent homemade.

"This is quite a turnaround," said Mr. Pica, who noted that in the 1950s the American influence had led to a switch to "industrial" ice cream. The change back to the *artigianale* (artisan-made) products came with the 1960 Olympics and business has been booming since.

Times, of course, have changed. Today one would have trouble finding the ice-cream maker who in 1946 stayed up for two days and two nights to fill a big order, straining fresh strawberries through a piece of cloth with a chunk of ice so that his warm hands would not alter the taste.

Still, today's artisan makers have a few tricks up their sleeves, namely family secrets that make the product of each *gelateria* just a bit different. No one, for example, can crack the secret of the *mela stregata*, named after the bewitched apple offered to Snow White by the wicked queen. Attempts to reproduce this chocolate-covered, apple-shaped delight produced by the Biancaneve ice-cream parlor on the banks of the Tiber in central Rome have come to naught. The same can be said of the *Tartufa*, the trademark of the Tre Scallini in the Piazza Navona.

Not all ice cream here is great ice cream, but it is never bad. For Italians and tourists alike, it remains a rare pleasure on a mid-summer night.



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ITALY

TOURISM:

Officials Keeping Stiff Upper Lip And Hoping for Better Luck Soon

By Janet Srobart

ROME — For a long time it seemed that nothing could stem the spectacular growth of tourism, one of Italy's leading foreign-currency earners. And then...

A cold spring, a late summer, a devastating earthquake in the fall and a meager snowfall in Alpine resorts in the winter — and 1980 became a year that tourism officials would prefer to forget. And 1981 could end up in the same category, although tourism officials are keeping their pessimism in check.

The results for last year were not all negative. The total number of tourists was 2.5 percent higher than the 1979 figure. But the money they brought in — \$7 billion — was less than the government's expectations of a 13-percent increase over 1979's tourist income of \$6.8 billion.

For Italy, this year is expected to be critical, one in which adjustments will have to be made to changes in tourist patterns and to the unfavorable world economic situation.

The first four months of 1981 show a decline in summer bookings, following hard upon winter tourists' unsurprising lack of enthusiasm for the sparsely covered ski slopes in the north.

"This year's tourism has also been jeopardized by the disastrous earthquake in southern Italy last November," said Nicola Messina of the National Tourist Board (ENIT). "Many foreigners don't realize that much of the south was untouched and are wary about taking an Italian holiday this year."

But, he said, the earthquake is not solely responsible for the drop in the tourist trade.

Although Italy's devalued lira means that most foreigners will get a good exchange, neighboring Yugoslavia has also devalued by 20 percent and offers strong competition, as do both Greece and Spain, with their growing tourist accommodations and reasonable prices.

Added to this is the general economic crisis that has hit most of Europe, forcing wage earners everywhere to economize.

Over Easter, which is usually one of the peak periods, there was a drop in foreign visitors, especially in the south. Sicily had 30 percent fewer tourists than it did a

year ago, while the Amalfi Coast on the fringe of the earthquake area suffered a 60-percent loss. The only noticeable increases were registered in some northern cities, mainly Florence and Venice.

In the face of the gloomy forecast of a 20- to 30-percent decline in tourism this year, both the Ministry of Tourism and local boards have proposed a series of measures designed to attract foreigners back to Italian shores.

These would include a 50-percent reduction on Italy's expensive highway tolls in the north and a 90-percent reduction in the south. A proposal to issue coupons that would allow foreign tourists discounts on up to 500 liters of gasoline was turned down. "We must convince people that the earthquake did not destroy the whole of southern Italy," a tourism official said.

Concern with the earthquake's effects has led the Naples Tourist Board to offer visitors coupons worth about \$100, entitling them to free entry to Naples' museums, opera house and theaters, a visit to Pompeii or Herculaneum, and discounts in some stores.

Hotels in the cliffside resort of Positano on the Amalfi Coast decided to keep prices down. "We don't want to hear the word 'earthquake' any more," said Michele Cinque, municipal tourist councillor and a hotelier. "The earthquake didn't hit us, and, furthermore, we've invested a lot in beautifying the town and cleaning up the sea. Now all we need are the tourists."

Further south, the regions of Calabria and Sicily plan to make up for the loss of Easter tourists by offering low-priced charter flights. In Sardinia, local tourist authorities say that the depression has not hit them, and that they might do even better this year than their mainland colleagues.

According to Nicola Casalla of the Sardinian Tourist Board, not only are bookings flourishing on the Emerald Coast, but organizers expect a boom this year in medium-income tourists.

Despite the generally bleak outlook, however, officials are not discouraged. "After all, Italy has unique attractions," a tourist official in Rome said, adding, "We must convince people that Italian sunshine is as good as it is anywhere else."

ENERGY: Policy Debated as Shortages Loom

Special to the IHT

ROME — "Risk period," the disk attached to the elevator case said. "Wednesday 9 a.m. to 10.30 a.m. — possible power cut."

For years, the government has been trying to persuade Italians to save on power. It has run newspaper advertisements explaining efficient building insulation; it has introduced a compulsory interruption of home heating during the warmer hours of the day; it has even, as the elevator notice shows, allocated potential blackout periods. But no one has taken much notice.

Suddenly, early this year, a freezing winter spell coincided with a series of strikes, and darkness descended on the country.

Two blackouts in January and February hit all of Italy. Others affected only the central and southern areas. Damage ranged from simple inconvenience to serious losses to factories.

Ironically, for ENEL, the national electricity agency, the power crisis represented a chance to underline that Italy urgently needs to increase its power supply. For years, parliamentary inaction and local opposition have stymied plans to open new electricity plants and, in particular, to push the country toward nuclear power.

Although its vast reprocessing industry has given it a reputation as the "refinery of Europe," Italy has almost no energy sources. Close to 85 percent of its annual energy supply is imported, including more than 100 million tons of oil.

Clashing with environmentalists, energy experts at ENI, the Italian hydrocarbons agency, contend that Italy's hydroelectric and thermoelectric sources of power are almost entirely exploited. Improved natural gas supplies are expected to rise by more than 12 billion cubic meters annually with the full implementation of the new Algerian pipeline in 1985.

But ENI says that this will not suffice to close a growing energy gap — expected to reach 30 percent in 10 years — that already forces Italy to import electricity from France, Austria, Switzerland and Yugoslavia. Successive versions of a National Electricity Plan have called for the construction of 12 nuclear power stations capable of supplying a total of 12,000 megawatts. Practically no action has been taken.

Despite a reputation as the 'refinery of Europe,' Italy has virtually no energy sources. Nearly 85 percent of its supply is imported.

Only three small stations and one 2,000-megawatt plant at Caorso in northern Italy are functioning, providing 2 percent of Italy's electricity needs. In France, almost as poor in fuel deposits, Europe's most advanced nuclear program has built scores of pressurized-water nuclear power plants that already provide the French with 34 percent of their electricity.

Unlike Italy, France has a centralized decision-making apparatus. Italy's decentralized system allows opposition groups to block action more easily on nuclear and other power plants.

For example, a protest movement led by the ecologically oriented Radical Party halted work on a major nuclear power plant at Montalto di Castro, near Viterbo, north of Rome. Environmental opposition from several political parties has held up the site selection for other power stations.

Radicals and ecologists believe that the government is deliberately overlooking renewable energy sources like hydroelectric, solar or wind energy.

Stefano Andreani of the Radical Party said, "Italy is no more rich in uranium than it is in oil."

Lobbyists say that the building techniques used in Italy for nuclear power plants are outdated and dangerous, especially in earthquake-prone areas.

Umberto Colombo, president of the Italian Nuclear Energy Commission, acknowledged that, in a country with a high incidence of industrial accidents, his organization had failed to reassure the public on nuclear safety, as it has failed to point out the benefits of nuclear energy — its cost, for example, which is less than half that of oil-generated energy.

Certainly, the recent blackouts have weakened the anti-nuclear lobby. The stacking of tens of thousands of tons of uranium ore has allowed Industry Minister Filippo Maria Pandolfi to conclude an agreement with authorities in the southern region of Apulia on the construction of a 2,000 megawatt plant there.

That is only a beginning. The new energy plan calls for raising Italy's power-generating capacity from 38,000 megawatts to 87,000 megawatts a year during the next decade by a combination of new coal-fired plants, hydroelectric, geothermal units, and gas turbine and nuclear plants.

CITY OF LIVING, CITY OF DEAD?

(Continued from Page 7S)

ernment official directly responsible to the Ministry of Cultural Endowments and Environment, appears to have the support of a majority of Italian archaeologists and a large number of the country's best-known city planners. It is also backed by most of Italy's major newspapers.

But the plan is fiercely opposed by a small group of classicists, the conservative Rome daily Il Tempo and even a few leftist architects, who say that "it is wrong to take space from the city of the living to give it to a city of the dead" and who feel that government resources would be better spent on urban renewal for Rome's slums.

"Nightly Hangout" The critics have concentrated their attacks on the new outdoor museum by pointing out its effect on transportation. But some go so far as to ask if Rome really needs more ruins. "In principle, it's a good idea, but not now," art historian Federico Zeri said. "It's absurd to think of digging up more ancient relics and creating new archaeological sites when we can't even keep in good condition the ones that already exist."

He said, for example, that the Colosseum had become "one big urinal and a nightly hangout for delinquents."

The area known as ancient Rome is a kilometer and a half long and a kilometer wide and includes the Roman and Imperial forums, the Capitoline and Palatine hills, and the Colosseum. Well-known to tourists and art lovers, the major monuments were built between 46 B.C. and A.D. 112 and originally were parts of an architectural whole, Mr. La Regina said.

Veteran classicist Ettore Paratore has criticized the city of Rome for contemplating the "replacement of an important traffic artery with a sleepy museum corner that would be frequented only by foreign tourists and a few archaeological nuts." But supporters of the project believe that it would also bring long-term urban benefits.

Many city planners believe that Mussolini's decision to build Via dei Fori Imperiali was a major blunder. According to Rome historian and urbanist Italo Insolera, the consequent concentration of shops, banks and offices in the historic center has both led to severe congestion and helped destroy the area's residential nature and its artisan-based economy.

Resettlement Furthermore, architect Antonio Cederna said, the avenue's construction involved the destruction of irreplaceable medieval and Renaissance buildings, which forced the resettlement of more than 5,000 people. He said that, as this destruction took place more than 50 years ago, no real harm would be done today by excavating the area and thereby permitting the completion of one of the most impressive ancient archaeological complexes in the world.

The city traffic department has calculated that, during busy periods, 2,000 to 2,200 cars per hour ride the avenue in each direction. Much of this traffic could be rerouted, Mr. Insolera said. He believes that closing the avenue might stimulate the construction of much-needed ring roads around secondary city centers that would ease downtown pressure.

The Roman Forum, open daily until sunset, gets about 1 million visitors a year. To promote its new plan, the city administration decided in February to turn the avenue into a pedestrian mall on Sunday. The major turnout of people — strolling, skating and biking in the shadow of the Colosseum — has convinced them that there is substantial popular support.

Mr. La Regina first spoke out about the deterioration of Rome's monuments in late 1978, but it was only early in March that a bill allocating \$180 million was passed. "We will put this money to good use," he said, pointing out that the excavation project is only one part of a vast conservation plan. "Rome's only real assets are its beauty and history, and to have neglected them for so long was an unpardonable crime."

— SARI GILBERT

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Finally, the Italian Tourist Ticket makes it possible to obtain price reductions on various tourist services via your C.I.T. travel agent. The Italian State Railways operate special trains on all the principle national and international lines, which have extra comfort, speed and safety features. These are called the T.E.E. or Trans Europ Express.

This type of train has the most sophisticated apparatus for the safety and control of the motion of the train. The rapid T.E.E.'s of the State Railways shorten the distance between nineteen of Italy's most important cities. They have three types of cars: sleeping, dining and salon; each car has heating and air-conditioning; and each has a special system of individual reading lights. In addition, on the T.E.E.'s Milan-Rome-Naples lines, "Settebelle," "Ambrosiano," and "Vasuvius," on the "Freccia della Laguna" telephone service.

On the T.E.E., seats must be reserved and this can be done at State Railway ticket counters or authorized agencies. Reservations can be made from two months to 5 hours before departure of train stations and from two months to 6 hours before departure of travel agencies.

Reserving by telephone is easy too. A computerized network connects all major railroad stations and can reserve your seat in just a few minutes. There is a £1,000 reservation charge with the exception of those holding the Italian Tourist Ticket for whom the reservation service is free.

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ITALY

FASHION: Pace-Setting Styles Began a Long Time Ago; Today the Industry Affects Almost Everybody

By Daniela Perroff

ROME—Four hundred years ago, the stiff ruffled collar appeared in Paris, crossed the Channel and delighted the Scottish rulers of the British Isles, who made it their own as the "Stuart collar." Its creator, Catharine de Medicis, the Italian-born queen of France, in the middle of the last century, a beaded pearl-drop craze swept the fashion world. Its inspiration: the tears of Italian *grandes dames* weeping for their country to be one.

The Italian influence in world fashion goes back a long way. But whereas in the old days fashion was a game for the elite, in violent contrast with the gray existence of the population, in today's Italy it affects everybody. Consequently, it is a multimillion-dollar business ranging from clothing to accessories to fabrics to leather. With tourism, it is the only sector of Italy's trade balance that is in the black—a \$7.6-billion surplus against an overall \$18.6-billion trade deficit.

Talent and taste aside, how did Italy get started on the route to a 20th-century fashion fame that rivals that of Paris?

"Today's success is the result of 30 years of hard work," said Bruno Piattoli, the Roman menswear designer who recently joined an Italian-U.S. fabric designing venture that will use U.S. cotton and Italian creativity.

Italian Look

The "Italian look" officially began in 1951, when fashion exporter Giovanni Battista Giorgini held the first Italian fashion show in his Renaissance home in Florence. Buyers came from such prestigious stores as Altman's and Bergdorf's Goodman of New York, I. Magnin of California and Morgan's of Montreal. They

liked what they saw, and from then on it was all uphill, with Rome and Florence fighting for supremacy as Italy's fashion capital. In 1958, ready-to-wear made a brief appearance in Milan; but it would be another 10 years before people were ready to accept *haute couture*.

Meanwhile, Rome grand hotels and private ateliers wrested high fashion leadership from the Renaissance elegance of Florence's Pitti Palace. The Rome fashion cult of the 1960s sealed the fame of such design stars as Valentino, Russian Princess Irene Galitzine of the Palazzo Pajama, Roberto Capucci, Andre Laug and Pino Lancetti.

Picnic Ended in '70s

Their success paralleled the Italian economic boom of the same decade, but the picnic ended in the 1970s, and couture had to shop for other markets. Today, prestigious labels promote anything from fabrics to perfumes to bathroom decorations. One of the latest high-way advertisements in Italy shows a smiling Valentino plugging his latest bathroom tile, complete with the circled "V" trademark. In 1974, the ready-to-wear seed was replanted in Milan by the Missoni knitwear couple, and the world's fashion-conscious set their clothing clocks by the semiannual Milan ready-to-wear showings.

The *gotha* of Italian ready-to-wear includes several names from couture, but, except for Valentino who snubbed Milan for Paris anyway, the truly successful rack racks all started as ready-to-wear designers.

A brief list:

Giorgio Armani: A Milan medical student who turned from scalpel to scissors to become

the No. 1 name. His unlined blazer made him famous, and an Armani suit is now a must on any VIP's shopping list.

Gianni Versace: He came from Calabria, where his mother was a seamstress. He industrialized creativity—once he designed simultaneously for at least four companies, including his own. He caters to the less committed woman, with heavy emphasis on elegant sportswear.

Roberta da Camerino: Her real name is Giulianna and she works out of her native Venice. Beginning with the "R" decorated bag, she invented a distinctive look in cloth and leather. Her Fifth Avenue shop in New York is always crowded.

Fendi: Five Roman sisters who went from their mother's leather store to become Italy's most creative furriers. With designing help from Karl Lagerfeld, the Fendis can stitch anything from moleskins to sables into a winter dream. They also run a leather line with the traditional double "F" symbol.

Missoni: Lombardians, Rita and Taj started with track suits—Taj was an Olympic runner as well as an artist. He hit the big time with his rainbow melange knits—status symbols but also works of art that have been exhibited at the Whitney Museum in New York.

Krizia: Former schoolteacher Mariuocia Mandelli is best-known for her fauna print knits, featuring a different animal each year—next season, lions of all shapes and sizes. Nostalgic for her schoolteaching days, she does kiddie couture, too. A last word for trivia fans: Next season, Krizia will again launch pearl-drop beading. And whoever wept the tears that inspired the 1980s version of last century's craze, you can bet it was an Italian.

Private TV Stations Flourishing in Chaos

ROME—In the darkened room, the family of five sat huddled around the large color television set, using a remote-control device to run rapidly through Rome's two dozen channels before deciding on the evening's choice.

The scene, and the ample selection—musical variety shows, cultural programs, debates and an infinite number of U.S. films and television serials—would not be unusual in the United States.

With about 600 private television stations, Italy is the only European country to have, in effect, done away with the traditional state radio and television monopoly.

To all appearances, the proliferation of private television stations has delighted Italian viewers, whose choice until recently was limited to two nationwide state-controlled networks that went off the air at about 11 p.m.

Court Ruling

Ironically—although not surprisingly in a country where political inaction is a way of life—it is a situation that has come about not by design but by default. In June, 1976, Italy's Constitutional Court shocked officials at Italy's state television, RAI, when it ruled that the national monopoly over the airwaves could not apply to local broadcasts.

Five years later, the government has yet to pass a law regulating the use of frequencies, distributing them, establishing procedures and requirements for issuing broadcasting licenses, and deciding just what kind of range a local station should have.

Two laws prepared during the same period by the Ministry of Post and Telecommunications fell by the wayside because of government crises. Others presented by different political parties were never considered by parliament. And a draft bill under preparation by the postal minister, Michele di Giusti, a Social Democrat, is several months behind schedule.

In the meantime, the 600 private television channels and close to 4,000 radio stations

have simply occupied available frequencies and gone about their business. The result has been a radical change in viewer habits and expectations, and a powerful, multimillion-dollar television advertising industry, both of which have probably become permanent fixtures.

TV's 'Assassins'

"RAI is threatened with death," wrote journalist Laura Lilli, who skipped over the Italian political system to list as among the state network's "probable assassins," the three Charlie's angels, newspaper editor Lon Grant, the detectives of SWAT, and Mark, the man from Atlantis—all television characters.

In fact, after a brief flirtation with strip shows and soft-core pornographic films, the private stations have been relying on films and television serials purchased abroad for about 80 percent of their programs. In the absence of a regulatory law setting an obligatory quota of in-house production, the stations have made a beeline for the United States, leading some Italians to worry that their country risks being "culturally colonized."

In 1980, more than 80 U.S. television programs, old and new, could be seen on Italian television. By purchasing programs like "Dallas," broadcasting an increasing number of films and gradually pushing back its sign-off time, RAI itself has been making a stab at meeting the competition that has cut deeply into its audience. "But we are a public service network and cannot sacrifice our identity to low escape entertainment," said RAI President Sergio Zavoli.

Mr. Zavoli thinks that the challenge from the private stations will probably prove healthy for RAI, an organization with about 13,000 employees, a history of politically motivated hiring, and three supposedly distinct and independent channels, each with its own political affiliations.

RAI has produced well-known and successful movies like the Taviani brothers'

"Padre, Padrone" and Ermanno Olmi's "The Tree of Wooden Clogs," as well as high-quality television epics like "Leonardo da Vinci," "Moses," Franco Zeffirelli's "Jesus" and now "Marco Polo." But many of its programs are paternalistic, didactic and often boring. In this sense, Mr. Zavoli said, the legislative vacuum has been a problem and could stimulate an indiscriminate purchasing race to the detriment of improved in-house production.

According to Prof. Alfredo Valetti of the telecommunications department of the Post and Telecommunications Ministry, the unchecked proliferation of private stations has also caused technical problems—interference with air and sea traffic, satellites, RAI itself—and led to complaints from neighboring countries where state control over the airwaves continues intact.

The failure to act earlier has permitted the development of a chaotic de facto situation that will be difficult to reverse. What is more, although the Constitutional Court's decision made it clear that national networks were not to be permitted, at least four of the new broadcast companies have been quietly building cosortiums and accumulating affiliates.

Three of these are offshoots of major Italian publishing houses. Rizzoli, Mondadori and Rusconi. Last December, Rizzoli's *Primarete Indipendente* (PIN) began broadcasting a daily news program in four of Italy's 20 regions. Following a protest by the Postal Ministry and RAI, the case was sent to the Constitutional Court and a ruling, expected in June, could represent a watershed.

Choosing Sources

"What we have done is to ask the court if it is legitimate for TV viewers to be denied the freedom to choose among various sources of news," said Rizzoli's news chief Maurizio Costanzo, a former newspaper editor and RAI talk show host. "If newstands sell

(Continued on Page 125)

Predictions on Economy Are Gloomy

(Continued from Page 75)

economist has noted that, by giving a better boost to unskilled rather than skilled workers, the increase of the *scala mobile* represents a potential time bomb for Italy's industrial relations.

Although in recent months the leader of the nation's three great trade union confederations—CGIL, CISL and UIL—have been talking about the need to revise the *scala mobile*, so far none of their tentative proposals has had any teeth.

Revision Discussed

This is not surprising, seeing how the *scala mobile* has become something of a political sacred cow. Furthermore, although among them the confederations control 8.2 million workers (of a total of about 20 million), they have been facing an increasingly divisive challenge from the so-

called autonomous unions, whose wage demands appear to have more appeal for many workers than the confederation's bid for social gains. This, and the fact that major contract negotiations are scheduled for the fall, set the stage for renewed labor militancy rather than conciliation.

Spending on Rise

A reform of the *scala mobile* was one of the key points mentioned by an International Monetary Fund team that visited Italy in late March. But also high on their list was the problem of excessive public spending. During the last 30 years, the Christian Democratic-led governments have produced a public deficit of \$40 billion.

Increasing the public deficit has become the primary means of resolving social conflict. The deficit's size depends on outlays for falling industry workers that cannot be dismissed and other indirect forms of welfare. At about 10 percent of

the gross domestic product, it is highly inflationary because it creates demand without a corresponding increase in supply.

Last year, primarily because of "fiscal drag" caused by a rise in tax revenues, the deficit's rate of growth appeared to be decreasing. Since last fall, however, public spending has again been on the rise.

There is no dearth of good economists in Italy. But there has been a lack of consensus within the government coalition as well as an absence of effective administrative and legislative control instruments. As an example, when Italy's 25 ministries were asked recently to submit a list of possible budget cuts, only two replied with proposals for reductions.

Another problem is that Italy's two chief economics ministers appear to disagree on remedies for the country's structural ills.

The Christian Democratic minister of the treasury, Nino An-

drea, tends to favor sharp budget cuts. The Republican minister of the budget, Giorgio La Malfa, believes that without Communist and union support it will be impossible to cut current spending, and has worked out a three-year plan that one American economist describes as the "Italian version of supply-side economics."

Basically, Mr. La Malfa's plan calls for government intervention in the economy through investments designed to increase output and thus reduce both inflation and unemployment. The plan would increase the capital-spending share of the deficit from 50 percent to 75 percent while reducing current spending by half.

Relying on domestic and foreign borrowing, it would involve expenditures of close to \$90 billion during the next three years. There is a risk, however, that the plan, like many others before it, will fall by the wayside.

—SARI GILBERT

Alitalia Seeking Bluer Skies

By Janet Stobart

ROME—"We won't book you with Alitalia—you never can tell if they'll take off or not," said a travel agent to a client who this Easter was trying to book a flight in Rome.

Strikes by airline pilots and other personnel during the first four months of the year forced Alitalia to cancel more than 4,400 flights at a loss of 46 billion lire.

Despite this, the company feels that it is able to perform consistently better than many of its competitors. "Overall, 1980 was not a bad year for us financially," said airline spokesman Vincenzo Roversi. "Despite the fall in tourist traffic, our losses shrank to \$8.8 million compared to \$14.5 million in 1979."

Although this year's air-travel picture is uncertain, Alitalia is moving ahead with plans to triple company capital, double the fleet and add new flights to its world network.

To help raise the capital from \$120 million to \$360 million by 1984, there are plans to place about a quarter of the company shares, at present almost entirely owned by the L.R.I. holding company, on the stock market.

Planes Ordered

Orders for 20 new Boeings of various sizes, eight Airbus A-300 B-4s and eight DC-10s for international use will significantly enlarge the fleet.

To deal with a decline in tourist traffic—mostly the result of a tight economic situation in Europe—Alitalia and Italy's National Tourist Board, ENIT, have launched a five-continent publicity campaign, featuring a "Visit Italy" show of Italian folklore, food, wine and hospitality.

Most of the routes added this year to the European network have been planned with an eye on tourism: Paris-Palermo, London-Ca-

lifornia, London-Palermo, Brussels-Venice flights began early this year and despite the frequent strikes have been doing well.

The biweekly Paris-Palermo flights functioned at 64 percent of their capacity in April, even though a week of strikes at Easter cut overall air traffic by 50 percent.

In agreement with other European airlines, Alitalia is keeping promotional excursion fares on most European routes the year round, offering up to a 60-percent reduction on normal fares. Thus a Rome-London excursion round trip now costs \$366. Student and youth fares giving a reduction of 25 percent apply almost all over the network.

Flights to U.S.

On intercontinental routes, Alitalia competes with other major companies. "We now have four daily flights to the United States in high season," said Mr. Roversi, who added that a special April-

May offer of a \$430 round trip to promote the new direct Rome-Chicago flight was a success. Another new intercontinental route this year is Rome-Lagos. And Apex fares have now been applied to flights to Australia, which vary from \$692 one way in low season to \$913 in high season.

Alitalia also runs an individual tourist program, known as "Intermezzo," aimed at business travelers as well as tourists who arrive at Rome airport with time on their hands, or who want a leisurely guided tour of a major Italian city. For an overall price, "Intermezzo" offers airport-city transport for a stay of one to 14 nights in a second-class hotel with bed and breakfast and sightseeing tours. Between January and April, the program attracted 3,500 visitors.

A small but important factor on which Alitalia is counting is punctuality—75 percent of last year's flights left on time, against 61 percent in 1979.

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ITALY

PARMIGIANO:

Skill and Patience Blended In Champagne of Cheeses

By John Yates

PARMA — In a daring and well-executed robbery late last year, thieves hijacked a large truck and drove away with its contents. It was the third robbery of the same type in as many months, but the loot was not gold, art or precious stones. It was a truckload of cheese.

These bandits with Epicurean tastes knew what they were doing, for this was not ordinary cheese. The trucks contained wheels of mature Parmesan cheese, which, at an average retail price of \$5 a pound, represented a sizable fortune.

In recent years, the price of parmigiano reggiano has soared, at one point to a record 13,000 lire a kilogram. So, during the last decade it has become not only a target

for a select number of imaginative thieves, but an investment as well. From time to time, hoarding by would-be price gougers has been a problem for Italians. The nation's wholesalers and dealers are well aware that this is an essential domestic commodity.

Grated Cheese
Although it is said by some to be a mild apitrodiasic, the most important use of Parmesan is, in grated form, as an accompaniment for rice and pasta dishes. It is also added to heavy, minestrone-type soups, and sprinkled on some vegetables and eggs. The rind, edible when heated in an oven until bubbling, is sometimes added to soups during the cooking. But for many connoisseurs, Parmesan is best eaten plain at the end of a meal with a pear or an apple, or even figs or

grapes. Some Italian gourmets insist that the best bottle of wine should be saved for the Parmesan. A grainy cheese with a unique taste and fragrance, Parmesan goes back a long way. It was mentioned in Boccaccio's "Decameron," and a 16th-century couplet describes it as "the noble fruit of Parma's milk."

Produced as prescribed by law in a limited geographical area that includes the northern provinces of Parma, Reggio Emilia, Modena, Bologna and Mantua, it is still made today according to a formula that goes back 700 years. An average wheel of Parmesan weighs about 30 kilograms, and the 1,700 cheese dairies or *caseggi* that make up the Parmesan consortium annually turn out about 2 million cheeses. The Parmesan period is between

April and mid-November, when the grass on which local milk cows graze produces an important enzyme. The finished cheeses are then put aside for maturing. The normal cheeses are called *vecchio* or *old*, and are aged between 18 and 24 months. The most valued Parmesan is the *stravecchio*, which is matured from 24 to 36 months.

2 Milkings
Each batch of cheese is made from two successive milkings. The evening milk that arrives from neighboring farms is poured into small trays to rest through the night. The morning milk is left to rest for only an hour and, after the cream is skimmed off the top, the two batches of milk are poured together into a copper cauldron, to which fermenting whey is added. The next step is to beat the milk

Changes Coming in Shoe Industry

ROME — Noses pressed against the display window, the three teen-age Italian girls stood in front of the shoe store discussing their forthcoming purchases: identical pairs of fringed, bead-studded leather moccasins, advertised as made in the U.S.A. by Oglala Sioux Indians.

An influx of imported shoes — moccasins, sneakers and running shoes from the United States, and low-cost sandals and casual wear from Third World and developing countries — is causing concern to Italian shoe producers already faced with a sharp decline in the domestic market.

This is only one aspect of a severe crisis in the Italian shoe industry. Last year, overall shoe production declined by 12.4 percent, with leather shoes, the bulk of Italian production, dropping by more than 18 percent. Exports, a mainstay of the industry, dropped even further — 21 percent for leather shoes and 16 percent for the footwear industry as a whole. Sales to the United States, Italy's second-largest shoe client after West Germany, fell by an unprecedented 48 percent, from 97 million pairs in 1979 to 47 million pairs in 1980, causing grave difficulties for Italy's 8,000 shoe manufacturers.

Foreign orders have almost completely dried up," said Paolo Grossi of Minos Shoes in the Tuscan city of Pistoia. Last year, his small, export-oriented firm of 14 employees was forced to suspend production for a month, and the outlook for this year is even worse, he said.

This is not the first time that the Italian shoe industry has been in trouble, said Titti Cappiello, an economist working on a study of the sector. But the present crisis is far worse than a 1973-1975 slowdown "and will

not only force the industry to retrench but compel it to make some significant changes he said.

Shoe production, a traditional Italian handicraft that in some areas of the country goes back to the middle ages, has been a major foreign exchange earner since the 1960s. In 1978, Italy, a country of 56 million people produced almost 6 percent of the world shoes, making it the third-largest manufacturer after the Soviet Union and China.

In the peak year of 1979, shoe firms located mostly in Tuscany, the Veneto region, Emilia-Romagna and the central area known as the Marche exported 375 million pairs of shoes. At an average price of \$348 lire, the worth about \$10, these sales earned the country about \$3.7 billion, almost a third of what it spends for oil imports yearly.

But during the last two decades much (Continued on Page 128)

Parliamentary Majority Is No Guarantee

(Continued from Page 75)

than 100 votes, the government, deserted by its supporters, has been defeated repeatedly in parliament, often forced to rely on votes of confidence for the approval of ordinary measures.

In this context, and with important local elections scheduled for June 21, it is hard to resist the impression that there may be a political explanation for the way the P-2 scandal — in fact a problem of the misuse of influence rather than a Masonic scandal — has taken its current proportions.

"Scandals rarely erupt spontaneously here," said a Western observer known for his generally balanced views. "When there is a political consensus, the lid is kept tightly on. When there's not, then a scandal is allowed to explode."

Craxi's Stand

With the political implications of the scandal gradually taking precedence over the moral elements, a variety of theories as to which political groups might have "helped" the scandal to explode circulated in the Italian capital. What seemed certain, however, was the likelihood that Socialist leader Bettino Craxi might use the scandal to try to strengthen his party's position in the coalition. Mr. Craxi's ultimate goal is to

Since Aldo Moro's death, the Christian Democrats have lacked a leader.

wrest the premiership from the Christian Democrats for the first time in more than 35 years, a move that could perhaps even be sold to some of the other coalition members as the first tangible sign of a change. But there is little doubt that the Christian Democrats would fight to hold on to the premiership, even by calling an early national vote.

The disarray within the Forlani government — or more broadly among the five parties that are considered possible building blocks for coalitions that could govern without the Communists — showed up in recent months in the form of an intensifying debate over the need for constitutional or "institutional" reform.

Politicians, constitutional experts and jurists have come up with a variety of proposals — for the direct election of the president, threshold electoral levels to eliminate small parties, unicameralism, constructive votes of no-confidence and more — that they hope would somehow, miraculously, bring political stability to the country.

(In the Italian political system, where government crises are now

customarily used as an instrument of political fine-tuning, political instability is not necessarily measured by frequent government changes. The problem is the lack of political consensus that makes governing not only difficult but politically dangerous.)

The growing preoccupation with mechanical institutional changes is nevertheless an eloquent sign of political crisis, a crisis that is likely to deepen as long as major issues like energy and the economy are not dealt with.

The real problem is political: a lack of leadership, a lack of ideas, a lack of realism (in the case of the three small centrist parties, prevented by rivalries from uniting) and thus maximizing their political clout), sharp political rivalries and a profound disagreement between and within the coalition parties about what to do about the Communists.

The West's largest Communist party may be itself divided over long-term political strategy, but with 30 percent of the electorate and substantial trade union influence it is still a force to be reckoned with. Furthermore, within

both the Christian Democratic and the Socialist parties, there are factions that would prefer an accommodation with the Communists to their own continued collaboration.

A major problem for the Christian Democratic Party is that, since the murder of former Premier Aldo Moro, it has basically been without a leader capable of uniting the party. Political rivalry within the party has reached such intensity in recent years that the only acceptable candidates for the premiership are those, like Mr. Forlani, without their own political base.

Ironically, one reason that new elections may become unavoidable could be the party's inability to come up with a candidate who is acceptable both to the Christian Democrats and to reform-minded coalition partners.

Unusual Majority

A new element in all this is the cohesion within the Socialist Party that has been shaping around the figure of Mr. Craxi. He came out of his party's recent congress with an unusual majority of 70 percent, which he hopes to parlay into a commanding position in Italian politics. But it is not clear that he can.

Since April, 1980, when he brought his party back into the government after a six-year ab-



Arnaldo Forlani

sence, Mr. Craxi has been busy building alliances, abroad with the European left and at home with the smaller Social Democrats and, less reassuringly, with the erratic Radicals. But he has yet to produce an electoral victory that would back up his claim for political predominance. True, the Italians have a habit of giving major importance to small electoral shifts that elsewhere would not be noticed, but as of now Mr. Craxi has apparently been unable to arouse any new popular enthusiasm. Of course, he shares this with most of Italy's parties — with the possible exception of the Communists — and because of the P-2 scandal, the situation is not likely to improve.

A New Setback for the Church

Special to the IHT

ROME — Italy's Roman Catholic Church, shaken by a decade of radical social and political change that has eroded its once-powerful influence here, must now cope with another defeat.

Last month, 68 percent of Italy's predominantly Roman Catholic voters rejected a church-backed national referendum that called for the repeal of the country's liberal abortion law.

Long before it took place, the referendum had taken on a significance far beyond the issue of legalized abortion. The law's defenders — which included most of Italy's major political forces, from the Communists to the small conservative parties — said that a repeal of the law would set a precedent that could lead to the abolition of other social measures.

A Testing Ground

For the church, the abortion issue served as a testing ground. Bolstered by Pope John Paul II's popularity and encouraged by his outspoken stand against abortion, the Italian church jumped into the fray with a vigor unseen in recent years.

Leading members of the Italian Episcopal Conference urged the faithful to vote in favor of abolishing legalized abortion. The spouses of the drive used church doors to display their posters, including those showing clinical pictures of fetuses. In many parishes, anti-abortion pamphlets were distributed after Sunday mass.

The pope chose several occa-

sions to condemn abortion as "murder."

Critics accused the Vatican of meddling in Italy's domestic affairs, which is prohibited by the 1929 Concordat that regulates relations between the two states.

When it came time to vote, the controversy had transformed the referendum into a poll on church-state relations.

A Secular State

Thus, the outcome was hailed by abortion advocates as proof that Italy has become a truly secular state. In effect, the results confirmed a trend that had been in progress for years, ever since Ital-

ians defeated a 1974 church-backed drive to repeal their divorce law.

The Vatican was reportedly have reacted to the results with surprise.

But the head of the confere Cardinal Anastasio Ballestrero found one note of comfort in results. The number of faithful who voted in favor of repealing abortion law is considerably less than the number of Italians to attend Sunday mass — 32 percent as opposed to 22 percent. "This still almost one-third of the laity, and that's a significant force in a secularized society," Cardinal Ballestrero noted.

CONTRIBUTORS to this special supplement, besides Sári Gilbert (see first page of section), are:

- Kay Withers, an Australian who reports from Rome for the Chicago Tribune and the Baltimore Sun.
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A Stormy Relationship

(Continued from Page 75)

intervention in Poland increased, the party warned that such an "intolerable" move would lead to "indefinite consequences." This provoked Moscow to accuse the Italian party of "backing those forces in Poland that have unleashed a real offensive against Socialism."

When Giancarlo Pajetta, the party's "foreign minister," represented party leader Enrico Berlinguer at the Soviet party congress in Moscow last February, the Russians did not allow him to address the congress proper but forced him to deliver his speech in the subsidiary Hall of Columns. Pravda did not reprint the speech, with its criticism of Soviet policy in Afghanistan and Poland, until after the Italian delegation's protest.

Poland was just the latest episode in a decade of differences. The Italian party sharply condemned the 1968 invasion of Czechoslovakia, disagreed over policy toward China and criticized Soviet treatment of dissidents like physicist Andrei Sakharov. There

were clashes over European institutions, in which the Italian Communists take an active interest, and over European disarmament, which the party says ought to include a pullback of Soviet SS-20 missiles.

Despite Poland, Afghanistan and the "Pajetta case," however, the Italian party has sought to minimize signs of friction. Explaining a recent visit by a Soviet party delegation, Mr. Pajetta said, "We believe there can be normal relations even when there are differences."

Domestic needs account partly for this diplomacy. The hard-line policy that the Italian party has been following at home since its de facto alliance with the ruling Christian Democrats collapsed early in 1979, makes party unity a top priority. And for Italian Communists, the Soviet Union is still a divisive, hot issue.

A recent poll for the leftist magazine Espresso found that only 6 percent of the 400 Communists quizzed nationwide believed the

Soviet Union to be a model of successful Socialism, and saw the Polish situation through Soviet eyes as attempted counterrevolution. On the other hand, half of those polled believed that there was a genuine popular movement in Poland, although 40.7 percent said it strong social tension there is fomented by the West.

Again, 16.5 percent thought the Soviet Union had "saved a revolution [in Afghanistan] from the intrigues of the CIA and China, but 27.5 percent considered the situation in Afghanistan an imperial aggression.

Significantly, however, only 0 Communist in 10 polled thought that the Italian party should break with the Soviet Union if the Russians invaded Poland.

Italian Communist leaders claim almost total support within the party for their maverick foreign policy, although Communist historian Giuseppe Botia admits "some malaise ... in moments of tension."

— SARI GILBERT

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ITALY

Earthquake Victims Fear 'Permanent Disaster Area' Status

SOLOFRA — Once a thriving commercial center in Italy's troubled south, Solofra today has the bizarre aspect of a Hollywood set caught between two films.

The remains of buildings ripped apart by last November's earthquake await demolition. But new prefabricated shops and offices stand on dirt lots among the ruins, and the shattered historic center has come to resemble a bustling frontier town.

"Sure, people are working again, but there's no sign of reconstruction yet," said Luigi Palumbo, a 62-year-old barber who operates out of a wood-paneled hut. But Solofra is significantly better off than most of the poor farming towns and villages in the devastated area.

Nearly seven months have passed since Europe's deadliest earthquake in 65 years jolted the southern regions of Campania and Basilicata, leaving at least 3,000 dead and 300,000 homeless.

Still Waiting

After a bitterly cold and snowy winter spent in tents and trailers, survivors are still waiting for the temporary prefabricated houses promised by the government. The basic needs of food, clothing and shelter have been met, largely through donations from northern cities, private aid organizations and foreign countries, but officials most confront the tougher challenge of reconstruction. "Immediate aid was easy compared to what we face now," said a spokesman for the government's special relief commission.

The task of rebuilding scores of destroyed towns in this mountainous zone will be further complicated by the need to tackle stubborn economic and social problems that predate the earthquake.

Italy's south has an unemployment rate double that of the north. Despite years of government programs aimed at boosting the local economy, the

area's per capita income remains almost half the national average. Since 1950, more than 3 million people have left the south, mostly young men who were forced to emigrate to northern Italy or other countries in search of work. State subsidies in recent decades have done little more than feed a local patronage system that has created a bloated and incompetent public administration.

Some complain that it took an earthquake to focus more concern on these traditional problems. But, while some optimists believe that reconstruction will offer a golden opportunity to revive the south, most observers seem skeptical about the prospects for change.

Although the government allocated \$1.2 billion for emergency relief and housing aid, local authorities claim that the sum has proved insufficient for the 12,500 square miles hit by the earthquake. About 100,000 people are housed in trailers and metal containers, while another 21,000 have moved into seaside hotels at government expense. Another estimated 50,000 survivors have joined relatives abroad or in northern cities. But many of the refugees have begun to return to their villages, and by the beginning of summer the hotel occupants will be pushed out by tourists.

Adequate housing and sanitary conditions have thus become an urgent concern. "The winter was very hard, but at least there were no epidemics. Now we're worried that the warm weather will bring new health problems," said Lorenzo Rubineti, the mayor of Pescopagano, a hilltop village in the province of Avellino.

Like most of the other stricken communities, Pescopagano today seems little more than an extended trailer camp. The old center is a pile of rubble, with much of the debris waiting to be carted away. Trailers are parked along the roadside and on

unpaved lots a few kilometers from the town's center.

Of the 506 towns damaged by the earthquake, 36 were destroyed. The onset of spring has raised local spirits, and most people seem determined to get on with their lives. But the homeless are seeking guarantees that their communities will be rebuilt.

In Sant' Angelo dei Lombardi — one of the worst hit towns — the administration operates out of makeshift offices in the center, despite the desolate ruins all around. "We're determined to rebuild our town exactly where it was before," Planning Commissioner Gregorio Grassi said.

Natural Skepticism

The attachment to the land was reflected in the widespread refusal of homeless families to accept temporary evacuation. But the decision to remain was also motivated by a natural skepticism — many people seem convinced that their presence in the towns is the only effective means of pressuring the government into action.

Italy plans to spend \$8.5 billion in reconstruction during the next three years, some of which will come from a 5-percent "earthquake tax." But it took parliament six months to push through an emergency decree allocating these funds. Most observers fear that the government's ambitious development project will be bogged down by bureaucracy, conflicting local interests and general disorganization.

Experts have begun geological and seismic studies to determine the safest areas for construction, but officials are already hickering over how much money and what kind of housing each town should get, and local authorities expect further problems when they have to expropriate land for construction.

The area's inhabitants firmly oppose proposals to

rehouse earthquake victims in new towns a few miles away from the disaster zone. "Each village has its own cultural and historic traditions, and it's impossible to think of grouping them all together," Mayor Rubineti said. "What sense does reconstruction have if it means destroying the identity of a town and its people?"

But relief officials believe that the most crucial task is to assure the area's economic survival. The earthquake caused billions of dollars in damage to the zone's floundering industry and worsened the problems of an already unprofitable agriculture. Local authorities worry that, unless commercial activity is revived soon, more people will be forced to leave.

'I Have No Faith'

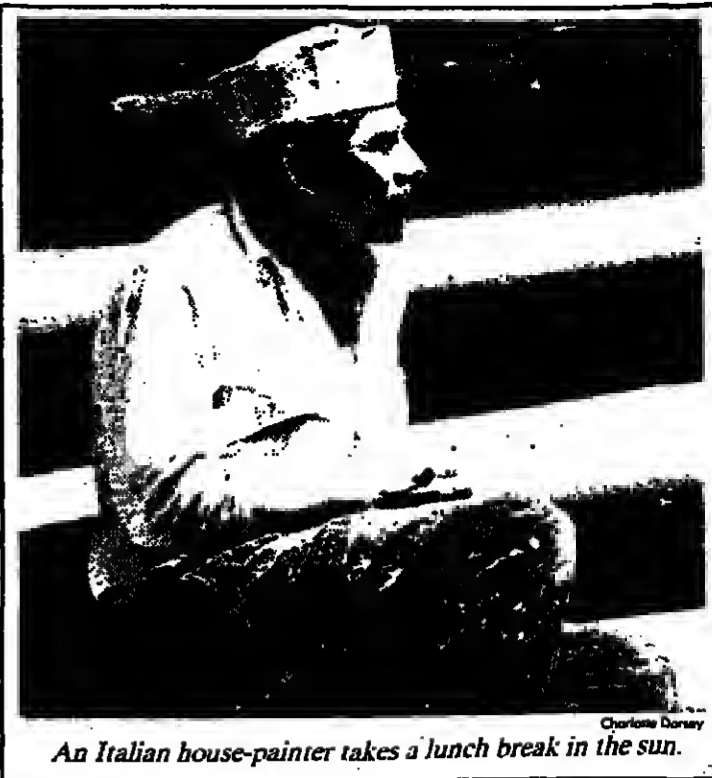
"Now there's demolition and repair work to do, but once this is done what job will I find here?" said 19-year old Cesare Gasparini, who plans to leave Pescopagano for a job in the north. "I'd like to stay in my town, but I have no faith that things will get better."

In fact, the record is not good. More than 12 years after a major earthquake struck the Sicilian valley of Belice, 35,000 people still live in wood and tin shacks. The northern Friuli region has fared better since an earthquake in 1976, but despite the combined benefits of more effective aid and a local tradition of self-reliance, reconstruction is only half completed.

In Campania and Basilicata, survivors worry that their plight will soon be forgotten. One discouraging sign is that the local highway authorities recently put up green and white road markers that direct motorists to the "earthquake zone."

"The worst risk," a local mayor said, "is that we will become a permanent disaster area — a new Pompeii for tourists to visit."

— THEODORA LURIE



An Italian house-painter takes a lunch break in the sun.

Pressure to Curb Strikes

(Continued from Page 7S)

which have broken with the confederations over the latter's willingness in recent years to partially cooperate with attempts to reduce inflation by limiting salary requests.

The UIL, the smallest of the three confederations and which is Social Democratic and Republican in outlook, has proposed inserting self-regulation clauses into future labor contracts. But the two other unions, the leftist CGIL and the Christian Socialist CSIL, have yet to agree.

In 1979, 158 million work hours were lost to strikes. Twenty-one million of these involved civil servants and 8 million the transport sector. In 1980 there was a drop in hours lost, but economists say that 1981 will probably be a record year for strikes affecting public service.

According to a survey taken in March by the Eurisko Institute in Milan, almost 80 percent of the 5,000 Italians questioned favored some form of strike regulation.

— SARI GILBERT

Fiat Is Seen Holding Its Ground in the Auto Industry Despite a Sluggish Market

By Robert Wazack

ROME — Fiat is trying hard, with some success, to fight its way upstream in a rapidly plunging European car market.

The year 1980 was a decisive one for the world's eighth-largest automaker. "We are taking a step backward," Umberto Agnelli said last July 31 when he resigned as managing director of Fiat S.p.A., "in order to make a leap forward."

What he meant by "a step backward" became clear last September, when Fiat announced its intention to lay off 24,000 workers and to dismiss 14,000 more. FLM, the metal workers' union, responded with a 38-day strike that was broken on Oct. 14 by a now almost-legendary march of 40,000 workers through the streets of Turin demanding the right to return to work. Three days later, an agreement was signed allowing Fiat to proceed with the layoffs, in some cases for as long as 34 months, and — eventually — to go ahead with the dismissals.

It was Fiat's first real victory over the unions for more than a decade. Many felt it was also the beginning of the end of the unions' virtual stranglehold over Italian economic policy. For Fiat, it established an important precedent: the right to reduce the work force in times of declining car sales.

Nevertheless, Fiat's bottom line in 1980 was unimpressive. Only 1.28 million cars were produced, and 80,000 of these are still unsold. Fiat auto, with sales of \$10.1 billion, lost \$116 million. The strike contributed to the loss, of course, as did rising oil prices and a slumping world auto market. Fiat S.p.A. showed a modest overall profit.

Underlying these figures, however, are some distinctly positive signs that would give some weight to Umberto Agnelli's claim that the company is about to make "a leap forward." Fiat's share of the domestic car market, for example, which was as high as 75 percent in the 1960s but which dropped to about 50 percent in 1979, rose to

51.7 percent in 1980 and is running well above 53 percent for the first four months of 1981.

In Europe as a whole, Fiat's market share increased from 11.5 percent in 1979 to 12.8 percent in 1980 and more gains have been made since January, particularly in France, West Germany and Switzerland, according to a company spokesman.

Market Share

The European market is down by 10 percent to 15 percent overall, but Fiat is getting a larger portion of the dwindling sales even if its sales, in absolute terms, are declining. The Italian car market, by contrast, jumped 10 percent in April after gains in January and February and a 5-percent drop in March.

One reason for the improved market-share performance is a 10-percent rise in worker productivity in 1980 over 1979. "We have rediscovered the work ethic," Fiat chief Giovanni Agnelli said in January. Another reason is that, following

the layoffs, absenteeism has dropped to 5 percent from the former 15-percent level. Violence and wildcat strikes, which the company says were responsible for a 12-percent drop in production in 1979, also have at least temporarily stopped.

Italian sales have been boosted, in part, because the company has limited price increases to about 11 percent, half the current Italian inflation rate. Finally, Fiat has been enjoying great success with new models, particularly the Ritmo, introduced in 1978, and the Panda, unveiled in 1980.

Waiting in the wings are the Lancia Delta and the Fiat Model I.

External Problems

Although Fiat may have solved certain internal problems, it is still worried about external ones. Foremost is competition from the Japanese, who are making strong inroads into the European market.

In September, Nissan signed an unprecedented agreement with

state-owned Alfa Romeo to manufacture 50,000 to 60,000 cars annually, with Alfa engines and Nissan bodies. Fiat campaigned hard to defeat the deal, which needed government approval, and lost. Japan, Fiat feels, now has a large foot in the door to Italy's car market.

In the United States, where 1980 Fiat sales plummeted 37 percent from 59,000 to 37,000, the company, out of necessity, has begun emphasizing more sophisticated models, including sports cars.

Another problem area is South America, where Fiat is making a big effort. Fiat lost \$200 million there in 1980, but a company source says these losses were an inevitable part of its efforts to rationalize and restructure production.

In Argentina, where Fiat has a joint venture with Peugeot, the two companies share 27 percent of the market and rank first in this category. In Brazil, where it has a joint venture with a Brazilian automaker, Fiat claims 14 percent of the market.

Future hopes are based largely upon the five-year plan the company announced in 1980. The plan has four major elements:

- To invest \$6.2 billion over five years in designing an advanced group of cars that are highly fuel efficient, light and electronically sophisticated;
- To inject \$1.3 billion of fresh capital into various operating companies by the end of 1981, particularly in South America;
- To increase participation in joint ventures;
- To use more robots in automobile production, an area in which Fiat is already a leader. The goal is to produce greater quantities of a smaller number of models than Fiat has made in the recent past, and to produce them more efficiently.

For financing, the company is relying on a variety of sources. Some money is coming from liquid funds already on hand. Other money is available from a capital increase approved at the end of last year. Convertible bonds for

\$569 million were issued in December. More than \$1 billion is anticipated from government funds set aside for investment in troubled industries.

The company will also finance about 15 percent of its needs from outside sources such as banks. It recently announced a proposed program under which about 15,000 employees, including directors, middle-management personnel and foremen could each purchase up to 3,000 shares of Fiat stock at about 40 percent below market value.

If implemented, the program could raise more than \$50 million in capital. Although commonplace in the United States and West Germany, such an arrangement is relatively new to Italy and was received coolly by the unions, which feel that it will split their ranks between specialized and unskilled workers.

Fiat has already increased its participation in joint ventures. In line with other European automak-

ers, it feels that they are a good way of helping to beat back the Japanese threat. In April of last year, Fiat signed a long-term research agreement with British Leyland, Peugeot-Citroen-Talbot, Renault, Volkswagen and Volvo. In September, it announced a \$400-million accord with Peugeot to produce 1 million car engines annually by 1985. In the works is yet another joint-production agreement, this time between Fiat-owned Lancia and Saab.

An unstated but important part of the five-year plan is the company's intention to lay off or even fire workers as the need arises. This get-tough policy is a change from Fiat's conciliatory attitude toward the unions during the 1970s. On May 1, it was announced that Fiat would lay off 68,000 workers for two weeks during June and July. This is a more severe cutback than a similar move in 1980, when 78,000 of the 114,000 workers in Fiat auto were put on a four-day work week for a short time.

Isveimer

Endowment fund: Lit. 150 billion - Own financial funds: Lit. 551.1 billion

During 1980 Isveimer has grown both in quantity and in quality.

Balance sheet as at 31st December 1980

Own financial funds: Lit. 457.8 billion (of which Lit. 56.7 to the endowment fund) with an increase of about Lit. 50 billion compared with 1979

Deposits by third parties: Lit. 2,503.1 billion with an increase of 492.8 billion compared with 1979

Loans and credits: Lit. 2,720.9 billion with an increase of Lit. 589.1 billion compared with 1979

Net profit: Lit. 13.2 billion with an increase of Lit. 1.1 billion compared with 1979

Balance sheet as at 29th April 1981

(after the deliberation adopted by the extraordinary general meeting)

Own financial funds: Lit. 551.1 billion of which Lit. 150 billion to the endowment fund



The Bank of Southern Italy for the eighties

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MEETING HELD ON THE 30th OF APRIL, 1981

The shareholders of Banca Nazionale dell'Agricoltura in Annual General Meeting have approved the accounts for the financial year 1980 which show a net profit of L. 24.3 billion, and the distribution of a dividend of L. 175 for every L. 500 share held, payable from the 5th May 1981.

Total deposits (including Lire and foreign currency accounts maintained by other banks) reached L. 11,713 billion, representing an increase of 26.2% compared with 1979.

Loans to customers totalling L. 3,797 billion (an increase of 7.7%) were apportioned as follows: 92.9% to the private business sector, 5.4% to the family sector and 1.7% to the public sector.

The Annual General Meeting also approved the increase of the Bank's share capital from L. 48 billion to L. 72 billion by means of the issuance of preferred shares, each for a nominal value of L. 500, entitling the holder to a dividend of up to 10%, to the return of capital subscribed in the event of liquidation of the company and to voting rights regarding resolutions envisaged by Art. 2365 of the Italian Civil Code; shareholders have the option of acquiring one new share at par for every two old shares possessed.

G. Ennio Barilà has been appointed Honorary Chairman in acknowledgement of his long service to the Bank. Giovanni Auletta Armenise's appointment as Executive Chairman has been confirmed. Enrico Bassi and Goffredo Gambarara have been appointed Deputy Chairmen, Ulpiano Quaranta and Federico Pepe Managing Directors.

BALANCE SHEET HIGHLIGHTS

TOTAL DEPOSITS L. 11.713 billion

NET WORTH L. 278 billion

LOANS TO CUSTOMERS L. 3.797 billion

NET PROFIT L. 24,3 billion

ITALY

HOUSING: Apartments Scarce, Rents High — Blank Lease Is Not Unknown

ROME — A chronic housing shortage aggravated by a misconceived Fair Rent Law has grown to epidemic proportions and is attacking the backbone of this Mediterranean society — the family.

Young people are being forced to put off marriage and some couples have split up because of the shortage. Overcrowding causes generations to wrangle, and the scarcity of reasonably priced apartments has even led to violence.

international businessmen and wealthy Italians.

But the law appears to have backfired. By setting a fixed return for rentals of only 3.85 percent annually, it discouraged real estate investment and prompted landlords either to leave their property vacant or to rent it as office space, exempt from the controls.

Drop in Rentals

In any case, the number of apartments for rent has fallen rapidly. On the first Sunday in February, 1975, Il Messaggero's classified ads listed 258 apartments for rent in homes. On the first Sunday of February this year, there were 28.

The Fair Rent Law has also discouraged private investment in real estate. Only 170,000 new homes will be completed this year in Italy, against 272,500 in 1976. (Of these, only 20 percent are low-income state-subsidized or state-financed apartments.)

It has also drastically increased the number of apartments left vacant, now at about 3 percent of the total. In addition, by this year the percentage of rentable apartments offered exclusively as office space had jumped to 56.9 percent, against 6.9 percent a decade ago.

Another effect of the Fair Rent Law has been to penalize Italians in favor of foreign tenants. Landlords know that foreigners are temporary residents, and many appear convinced that foreigners will not be aware of their legal rights in Italy or will be willing to overlook them. One in every five apartments advertised for rent in the first two months of this year was marked "foreigners only."

Foreigners with generous housing allowances have it made, but this does not mean that all non-Italians are unaffected by the problem. A U.S. journalist covering the Vatican, Nancy Frazier, hunted desperately for an apartment when she arrived in 1979. After months, she heard through a friend of a studio apartment in central Rome "for foreigners only."

Getting Around Law

The apartment, worth about \$80 a month under the Fair Rent Law, cost \$300. The landlord demanded a deposit and three months' rent in advance, and then forced her to sign a blank lease and a blank inventory. If, later, she made trouble about the illegally high rent, he would simply complete the lease contract to indicate a short-term rental not covered by the Fair Rent Law and invent an inventory

holding her responsible for breakages or missing items. She signed, as many others sign, aware that refusal condemned her to an eternal search.

The blank lease is just one stratagem landlords use to get around the rent law. Others include under-the-counter "monthly" payments, illegal key payments, sometimes disguised as payment for utilities, furniture or loans, and exorbitant sums paid to apartment managers or mediators.

Nevertheless, one of every three Italians seeking lodging will see these illegalities — and others — long as they lead to success, according to a 1978 opinion poll.

With the rental market all but closed, Italians lucky enough to have accommodations will budge unless they are evicted after years of court battles. "The landlord asked us to leave five years ago," said Maria Pia Crifo, who lives with her husband, Giorgio, and three teen-age children in a two-bedroom apartment on the outskirts of Rome. "He was being thrown out of his apartment; he needed ours to live in. 'Rome, I'm sorry for him. But we're not going! How can we? A family of five! Where can we go? Out of the street?'"

The rent law does include clauses designed to help landlords terminate a lease. Within two years, about 7 million rental agreements throughout the country could be voided. Where will these people go?

Only Solution

Authorities are obliged to give precedence to the evicted in assigning state-subsidized housing. But with construction delays, corruption and widespread squatting creating chaos in the public sector, few pin their hopes on the state. The only real solution is to buy, and recent provisions ease mortgage terms for people who want to buy the apartments they live in, if their landlords agree to sell.

Some take the law into their own hands. The National Tenants Association (Sunia) congress in Riccione in May reported bloodshed over the shortage. In Leghorn, two men seeking lodging for their families committed suicide. In the Sardinian capital, Cagliari, a young woman shot her landlord.

"What are we waiting for?" Sunia Secretary-General Antonio Bordieri asked the congress. "How much more do we need before urgent steps are taken?"

— KAY WITHERS



Wintry scene: St. Mark's Square in Venice under a coat of snow.

Italians Titlists in Title-Taking

By Kay Withers

ROME — A consul in Palermo, so an old story goes, once witnessed an elderly Sicilian peasant's signature on a power of attorney. The illiterate man gripped the pen firmly, "X," he wrote carefully. And then, again, "X." Puzzled, the consul asked him, "Why two X's?" "It's obvious," the surprised peasant retorted. "The second X is my name — and the first is *dottore!*"

As the anecdote shows, Italians love titles. Academic titles. Noble titles. Merit titles. And their enthusiasm shows no sign of waning. "It's a fallacy that they don't care anymore," said a spokesman for the Order of Merit of the Italian Republic, which evaluates applicants for the honorific titles that Italy bestows each year. "This is a country where every parking attendant calls himself *dottore* — or, if he's over 40, *commendatore*."

There are academic titles like *dottore*, *professore* or *avvocato*, officially used by university graduates, teachers or lawyers, and unofficially adopted by just about everybody, especially, these days, the unemployed.

There are noble titles like *principe*, *conte* or *duca* still worn by former princes, counts and dukes despite the fact that they have not been recognized as titles since the creation of the Italian republic in 1946. Even some untitled citizens hanker after high society handles: The late Neapolitan comic Toto devoted years of his life and billions of his lire to an attempt to prove his right to the title of Prince Antonio. And top civil servants, ministers and undersecretaries rejoice in the appellation of *eccellenza*, a post-Fascism ban notwithstanding.

Finally, there are merit titles, about 17,840 conferred each year by the president, the premier's office or government ministries. President Sandro Pertini leaves a trail of these titles whenever he goes abroad. King Juan Carlos of Spain, Queen Margrethe of Denmark, Egyptian President Anwar Sadat, Portuguese President Antonio Ramalho Eanes, Greek President Constantine Caramanlis and innumerable others are Knights of the Great Order, the top honor Italy has to offer.

A few Alitalia pilots are something a few notches down the totem pole, like Officer, Commander or just plain Knight. At home, Mr.

the Italian industry's success was based on its ability to provide quality products at very low, competitive costs. This situation no longer exists. Shoe manufacturing is a highly labor-intensive industry and, with Italian labor costs rising, manufacturers are being forced out of the market.

The crisis in part reflects some very specific circumstances. In 1979, for example, almost one-third of the nearly 100 million pairs of shoes exported to the United States were "candy shoes," women's high-heeled wooden clogs with colorful plastic strips across the front of the foot that have since gone out of style.

And overall changes in fashion — many of today's Western youths prefer running shoes and other casual wear to the classic shoes that made Italian shoemakers famous — have also hurt many Italian manufacturers. "Look at the kids going by on the street and you'll see most are wearing sneakers," said a Tuscan manufacturer whose \$40 leather loafers are no longer selling.

But in general Italian production costs have become too high to compete with the

low-priced shoes produced not only by European countries like Greece and Spain but, increasingly, by Brazil, India, South Korea, Hong Kong and China.

By the end of 1980, for example, labor costs in much of the Italian shoe industry (sweatshop wages still exist in some parts of the country) had risen to \$8.50 an hour. Costs in the large tanning industry have also soared and, although this year market conditions have improved, in recent years the price of imported goat, sheep and cattle hides had also escalated, in some cases by as much as 280 percent.

Officials at Anedi, the Italian shoe manufacturers' association, believe that one problem is the nonreciprocal system of generalized preferences that the European Economic Community gives to developing countries, allowing shoe imports to Europe from some nations to increase in recent years by as much as 90 percent.

Import restrictions — for the most part quotas imposed in recent years by countries like Argentina, Japan and Canada that are eager to protect their own shoe manufacturers — have also been troubling.

The main problem, however, is that of adjusting to current cost and market condi-

tions, the immediate effect of which, experts say, will be a reduction of the number of firms and, during the next five years, a cutback of about 20 percent in the sector's 135,000 employees.

Then, according to economists in Italy, the companies that remain will have to concentrate on high-quality production. "Since Italy can no longer compete profitably in the field of low-cost casual wear, manufacturers here ought to focus on producing shoe wear that requires the one thing they do have, high-level technical expertise," Florentine shoe manufacturer Herry Ferragamo said.

His internationally known firm exports 80 percent of its annual production of 500,000 pairs to the United States and is one of the high-quality shoe companies that are untouched by the current crisis.

Mr. Ferragamo says one problem is that in recent years many Italian shoe manufacturers have sacrificed fit to appearance — a losing combination, he says, in an era when most people value comfort. "They've got the craftsmanship, the know-how and the experience. Used correctly, whatever the going fashion, they hopefully will assure Italy a permanent slice of the market."

— SARI GILBERT

Private TV Stations

(Continued from Page 9S)

a variety of papers, why should state television have a monopoly on national news broadcasts?"

The extent of some of the private television stations' influence became clear last December when Channel 5, a new private consortium run by Milan construction mogul Silvio Berlusconi first outbid RAI for the transmission rights to the Gold Cup soccer championships in Uruguay and then, after ceding the nationwide rights back to RAI, won precedent-setting authorization to use a government satellite to transmit the games live in the Lombardy region.

Rizzoli has now asked for permission to use the satellite to receive news clips from UPI-TV, with which it recently signed an accord. Mr. Berlusconi, whose network of 26 stations expects advertising revenue this year to double to about \$27 million, is trying to persuade Italy's soccer leagues to break their contract and sell him the television rights to the Sunday games.

According to Giorgio Bogi, a Republican member of Parliament who is undersecretary at the Ministry of Post and Telecommunications, it is impossible to turn back. In the future, Italy will have a mixed system in which RAI, which is controlled by the parliament, and the market-oriented private stations will play two distinct roles.

— SARI GILBERT

Pertini has conferred the title of Grand Officer on Olympic sprinter Pietro Mennea, that of Commander on high-jump gold medalist Sara Simeoni. Other contributors to the country's prestige have been similarly rewarded.

The president can give out honors in whatever quantity he chooses and however he wants. No one would dream of tying his hands with boring bureaucracy. Not so the premier or the government ministers, who might put forward some of the thousands of names proposed each year by village mayors, parish priests, employers — or even, as often as not, by the interested parties themselves. These candidates must meet set requirements. They must be over 35, have no police record and — a relatively new development in these hard times — pay their taxes. The Order of Merit of the Italian

Republic, in its little office near the Pantheon, sifts through the applications.

What's in a title, since so many appear to want one? "Nothing concrete," the Order's spokesman said. "Only if a man is in the civil service or the army is it an advantage. All other things being equal, he gets priority in promotion."

Nevertheless, the *bella figura* is considerable, even if most titleholders pretend to make light of it. A man will order an elaborate visiting card: "Gr. Uff. Cav. Lav. Prof. Conte Giuseppe Blo' Degli Uberti." In other words: Grand Officer Knight of Labor Prof. Count Giuseppe Blo' of the old and noble Uberti line. Then he slashes his pen through everything except Giuseppe. "Let's not bother with all those titles," is the clear message to the impressed recipient. "Just call me Joe."



Agip

Prospection, production and supply of liquid and gaseous hydrocarbons, of minerals in general. Refining and distribution of petroleum products.

Snam

Supply, transport, distribution and sale of natural gas. Transport of oil and petroleum products.

AgipNucleare

Prospection and production of uranium ore, nuclear fuel cycle operations, renewable energy sources, energy conservation.

Samim

Exploration, production and marketing of non-ferrous metals.

Anic

Basic chemicals and derivatives. Secondary and fine chemicals. Pharmaceuticals.

Snamprogetti

Design and engineering of oil and gas pipelines on land and offshore, petrochemical plants, other industrial plants.

Saipem

Drilling and pipelaying on land and offshore, construction of industrial plants.

NuovoPignone

Manufacturing and supplying machinery, equipment and measuring and control instruments for the petroleum, petrochemical and nuclear industries, looms for the textile industry.

Savio

Production and supply of machinery for the textile industry.

Lanerossi

Textile and garment manufacturing industry.

Sofid

Financing industrial and commercial activities of the ENI group.

THE IMPORTANCE OF A COMMITMENT

During 1980 the ENI Group consolidated still further its position among the world's major industrial groups.

On preliminary estimates, turnover during the year amounted to \$US30,000 million.

This result represents the involvement and work of more than one hundred and twenty thousand people and of a production organization which operates in numerous fields: petroleum, natural gas, engineering, chemicals, mechanical engineering and textiles.

The ENI Group thus represents an important point of reference in the industrial plan, in key sectors of economic development.

The ENI Group is moreover actively involved in the wider area of international co-operation and in the direct dialogue between producer countries and consumer countries, directed towards a policy of interchange to the rational use of resources and technology.

This is the ENI Group in the '80's; a great design of technology and work, an Italian commitment to the world, a positive contribution to international co-operation.

You don't have to shout to get yourself noticed.

Montedison are the fifth* largest manufacturer of chemicals in Europe, but you may not have heard of us.

Rest assured, you will certainly be hearing a lot about us in the future. All of it good and a lot of it of direct benefit to you and your company.

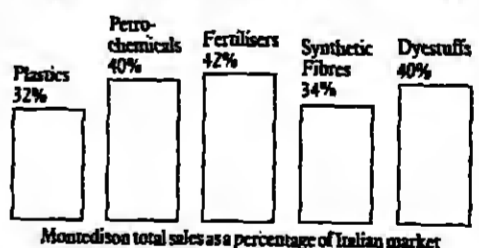
1ST, 5TH* AND 8TH

We're Italy's biggest chemical company making us the 8th largest in the world.

Two of our biggest breakthroughs were the development of the vital antibiotic Adriamycin, now used widely in the USA and elsewhere, and the Nobel prize winning invention and development of the plastics material Polypropylene.

1,000 PLANTS WORLD-WIDE

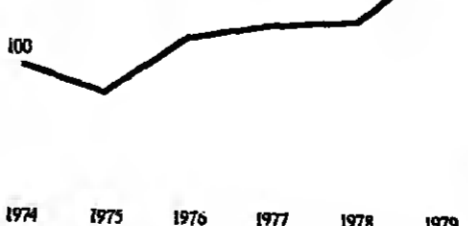
We operate in a large number of other countries both on our own and



Montedison total sales as a percentage of Italian market

"Come in N°5"

Montedison chemical sales growth rate.



Our annual turnover in 1979 was more than £3,500 million — an increase of 27.6% over 1978.

£2.50 A SECOND

Our research programme costs over £80 million a year and accounts for more than half the total amount spent on research by the Italian chemical industry.

That's £2.50 every second of every day.

in co-operation with other major manufacturers such as Petrofina and Hercules.

And our Tecnimont Engineering Company has designed and built over 1,000 plants throughout the world, including the USA, USSR and Third World.

NOT JUST CHEMICALS

Although some 82% of our turnover is in chemicals, fibres, pharmaceuticals, paints and related products, we are also involved in a large number of non-chemical operations.

Glass, glass fibres, animal health and veterinary products, and even departmental store retailing.

We have a total of 104 manufacturing plants world-wide employing 115,000 people,

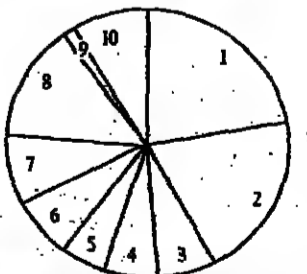
producing everything from town gas for Milan to cardiovascular and anti-cancer drugs.

From plastics materials and engineering to fertilizers and pesticides.

From industrial chemicals and textile lubricants to elastomers and dyestuffs.

THE QUIET GIANT

Montedison are a force to be reckoned with and, in several areas such as plastics, are recognised world leaders.



The main fields in which the Montedison group operates

Our diversity and wide infra-structural base gives us excellent scope for cross-fertilisation of ideas in related fields, and the ability to support our extensive and valuable research programme both now and in the very busy future.

Montedison may be a quiet giant, but we're far from silent.

*Fortune August 11th 1980.



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السؤال الاصل



The Great Race For a Small Jet

Airbus Seeks Backing in 150-Seater Challenge...

By Paul Lewis New York Times Service TOULOUSE, France — In the next few months, West European governments must decide whether to invest about \$1.5 billion in a battle with the U.S. aircraft industry to fill what is called "the hole in the sky" — an expected \$50-billion demand for a new and smaller fuel-efficient airliner.

Airlines say that by about 1987 they will need a new 150-seat aircraft to replace their aging fleets of fuel-thirsty DC-9s and Boeing 727s as well as similar but less successful European-built aircraft such as the French Caravelle and the British Trident and BAC-111.

Throughout the world, the growth of feeder routes and domestic traffic is forcing airlines toward smaller aircraft. Rising fuel costs are also encouraging aircraft builders to make their planes more economical.

Among big airlines, Delta, United, Trans World, American, Eastern and Air France have said they are interested in such a plane. The industry believes total orders worldwide could reach 2,000 by the end of the 1980s.

The chances are that Europe will decide to enter the race to fill this hole in airline fleets, offering a slimmed-down version of the European Airbus, which is assembled in Toulouse. The decision will be a momentous one for the companies and governments concerned — the Airbus is a joint product of Britain, France, West Germany and Spain — with the long-term future of the whole Airbus project at stake.

Airbus Industrie, the consortium that builds and markets the Airbus, wants the go-ahead by the end of the year so that it can have its plane ready by 1987 and not fall behind its rivals.

Competition is already heating up in the race to produce a new 150-seater. Boeing plans to offer a new 150-seater, possibly developed in cooperation with Japan. Earlier this month, McDonnell Douglas said it was teaming with Fokker, the Dutch aircraft company, to design another entrant.

Delta Air Lines announced in February that it would spend \$2 billion on such a plane and said it hoped that Airbus, Boeing and McDonnell Douglas would compete for the orders.

Those in Europe who favor building a 150-seater Airbus argue that this is the logical next step for Europe to take if it wants to remain in the aircraft industry and

further enlarge its share of the world market. "Airbus has put Europe back in the civil aviation business," said Bernard Lathiere, the former French civil servant who runs Airbus Industrie. "Europe wants to stay in that business, so we have to keep moving."

Monopoly Breaker Since it first flew in 1972, the Airbus has succeeded in breaking the United States' near-monopoly on the civil aircraft market, grabbing 50 percent of all sales of wide-bodied, short-haul jets and about 15 percent of the total market for civil passenger planes. With a new 150-seater, Mr. Lathiere hopes Europe could raise its share of the world civil aircraft market to close to 30 percent.

France seems keenest on the idea. Aérospatiale, the state-owned aircraft company, which has a 37.5-percent stake in Airbus Industrie and is run by President François Mitterrand's brother, should have no trouble getting its share of the development costs.

But West Germany, beset by financial pressures, is uncertain

whether to lend more money to its consortium member, Messerschmitt-Boelkow-Blohm, which also has a 37.9-percent stake in Airbus. It is also unclear whether Britain will help British Aerospace, which has a 20-percent stake, or whether Spain will come to the aid of its member, CASA, with a 4.2-percent interest.

So Airbus Industrie is looking for possible new partners to help it build the A-320, as the 150-seater is designated. Mr. Lathiere said he is talking with McDonnell Douglas, Fokker, Japanese aircraft companies and Sab in Sweden, though nothing has been decided yet. "I am talking to everyone," he said.

A battle is shaping up over providing an engine for the A-320. General Electric, in partnership with Snecma, the French engine maker, has a suitable engine, called the CFM-56. Rolls-Royce, in partnership with Japanese interests, has the Rolls-Royce-Japanese RF-500. Pratt & Whitney plans to develop a new engine, the PW-2025.

The 150-seater is one of three projects under study by Airbus Industrie for enlarging its family of planes, which now consists of the A-300 and the slightly smaller A-310. Mr. Lathiere also has plans for building a 350-seater "stretched" Airbus and a four-engine, long-range one.

But he said that the project to build a 150-seater is much more "typical," and is seeking to push ahead with it, Airbus Industrie is betting it can show the world that the success it is enjoying with the A-300 and the A-310 is no flash in the pan.

So far, 40 airlines have ordered 469 of Airbus Industrie's plump Airbuses. Mr. Lathiere reckons that these airlines' future needs alone will swell his order book to at least 850, making total sales of 1,000 possible.

Airbus is by far the most successful passenger jet ever built in Europe, with sales already well in excess of the Caravelle, the British VC-10 and BAC-111 or the British-French Concorde. Eventually it may also become the first profitable one, too.

To launch the Airbus, participating governments advanced about \$1.5 billion, which is being repaid by a sliding levy on each aircraft sold. By 1984, when Mr. Lathiere hopes the 360th Airbus will have been delivered, the government start-up aid should all have been repaid. After 800 deliveries, the four companies will have recovered the \$500 million they advanced in development costs. Sales over 800 will start to show a profit.

Japanese Expand Worldwide Lending

By William Chapman Washington Post Service

TOKYO — Japanese banks, after a period of government-imposed cautiousness, have re-entered world financial markets, underscoring Tokyo's growing role as an international center of finance.

Customers ranging from Indonesia to Mexico are lining up for syndicated loans arranged by Japanese banks. The market for what are sometimes called "samurai bonds" is booming again, with a year's backlog of foreign applicants. For Japan's highly valued yen loans, there are more seekers than the markets can handle.

Tokyo's commercial and investment banks have been only partially freed from government restraints imposed in the late 1970s, but they are coming another boom period that will enlarge the Japanese role as a major force in international capital markets.

At the Bank of Tokyo, one of the world's leading participants in syndicated loans, Mamoru Hashimoto, deputy general manager of the bank's international investment division, ticked off the latest deals — loans to the governments of Malaysia and Thailand, to a state-owned steel holding company in Brazil, to a national bank in Mexico.

"So we are everywhere now," he concluded.

The story is much the same at Daiwa Securities, an investment banking house that has placed several new issues of the coveted samurai bonds. Daiwa and three other houses have a list of 30 customers wanting to float the yen-denominated bonds in Japan, where interest rates are about half those in Western countries.

Japan's appeal in the world borrowing market is so great and its bankers' zeal so expansive that for

financial image as an erratic splinter. They have a target for syndicated loans that would amount to between 10 and 15 percent of the world market this year. Investment houses envision approving only two or three samurai bond issues a month, which would mean working off the customers' backlog in about a year.

The zest with which bankers are moving overseas, however, suggests that these limits will be

'Japanese banks are as interested in dominating international financial markets as Japanese steel companies or Japanese automobile companies are in dominating their industries around the world.'

Observers believe the 1980s may see Japan's financial growth match the pace of its export surge in the 1970s.

"Japan is a major player now," said Eric W. Hayden, an economist and vice president of the Bank of America's Asia division.

"By the end of this year, Japanese banks will have booked nearly \$50 billion in syndicated loans. It has really taken off. And the interesting thing is that so much of this has happened only in recent years.

"I think that Japanese banks are as interested in dominating international financial markets as Japanese steel companies or Japanese automobile companies are in dominating their industries around the world."

It is a new twist. Until the early 1970s, partly because of their own timidity and partly because of government restraints on exported capital, Japan's banks were a minor factor in international markets. They made their money lending to growing domestic industries and went abroad, when at all, merely to service Japanese companies engaged in export business.

The 1970s were a stop-and-go period marked by sudden surges overseas and sudden retreats. Banks and the Finance Ministry got scared after the first great oil price increase in 1974. Foreign lending subsided but took off again in the late 1970s — in 1978 and 1979 Japanese banks accounted for more than 20 percent of the world's syndicated lending. Then the Finance Ministry clamped on the controls again.

The ministry gradually has eased its restrictions but has made clear to bankers verbally that it will maintain a measure of guidance. The bankers hope for slower but more sustained growth in lending that will erase Japan's

Although Japanese bankers and bureaucrats feud frequently, there is a fundamental agreement among them about what's best for Japan and for the investment business.

That entwining of national interest and pursuit of profits also limits the export of capital in the form of yen loans. Banks must, under government guidelines, give priority to supranational institutions or to governments of countries that import Japanese products or supply Japan with natural resources.

That cuts out many borrowers. "We get many requests but are forced to explain [to many customers] that they are not in the right category," said Mr. Hashimoto of the Bank of Tokyo. "There are more borrowers than we can take care of."

Despite all these restrictions, Japanese banks will play a much larger role in all financial fields in the 1980s, experts agree. Banks and investment houses already are helping recycle the Middle Eastern countries' oil dollars and the influx of that money has helped Tokyo's stock market become second only to New York's in trading volume.

The yen is destined to become a much more important international currency, used increasingly as a reserve currency and for settlements in foreign trade, the experts say.

"In the long run, say maybe five or 10 years, Tokyo will be another London," said Mr. Hayden of the Bank of America. "It's got everything. It has half the gross national product of Asia, the best telecommunications facilities. It won't dominate Asia in the same sense that London once dominated Europe, but it will definitely be one of the big three along with Singapore and Hong Kong."

Japan to Weigh EEC Car Limit

TOKYO — Japan will decide what measures it is prepared to take to limit car exports to the EEC before International Trade Minister Rokusuke Tanaka begins his visit to Europe on June 17, his deputy said in Tokyo.

Naohiro Amaya, vice minister of international trade and industry, said Saturday that the EEC Commission told him during his visit to Brussels last week that the EEC might have to invoke measures to restrict imports of Japanese cars unless Japan curbed its shipments.

Japan has repeatedly pointed to national curbs on its exports when rejecting EEC calls to limit its sales. Mr. Amaya said that even in West Germany, whose leaders have expressed support for the principle of free trade, pressure was growing to restrict Japanese car imports because of the troubled domestic economy.

Fokker-McDonnell Hopes High

By Peter Millership Reuters

SCHIPHOL, Netherlands — Fokker, the Dutch aircraft firm made legend by the "Red Baron" German fighter ace during the First World War, is preparing to put a new breed of jets in the air by the 1990s.

With cash backing from the Dutch government and partnership with McDonnell Douglas of the United States, Fokker hopes to consolidate its return from the brink of ruin three years ago by producing a medium-range 150-seat jet airliner by 1986.

McDonnell Douglas's civil plane sales have been flagging, particularly since the 1979 crash in Chicago of its wide-bodied DC-10. But the agreement has won the confidence of the Dutch stock market where Fokker shares have increased more than 70 percent in five months.

Both companies think their futures hinge on catching the 150-seater market, replacing existing short-haul jets such as the Boeing 727 and McDonnell Douglas's own DC-9. Fokker believes this market could reach 2,000 planes by 1993.

One U.S. airline, United, has said it will spend \$9 billion on short-haul airplanes between 1986 and 1992.

Fokker is less than a tenth the size of the huge McDonnell Douglas, but the U.S. company lost \$140 million on the civil aircraft side last year and hopes the tie-up will usher in a recovery in sales.

Aviation industry analysts said the new short-haul airplane, to be known as the MDF-100, will be based on Fokker's F-27 air frame which has been undergoing tests for some time.

Fokker's two existing produc-

tion aircraft, the F-27 and F-28, although still selling well, are aging and a new addition is felt to be essential.

The two companies are, however, still looking for other partners to join the project on a risk-sharing basis. The director of Fokker's finance, Huijbertus Grobbee, said there was a fair possibility of Japanese involvement.

Fokker's return to success from the brink of failure was supervised by the company's president and chief executive Frans Swartouw, recruited three years ago after the merger of Fokker and Vereinigte Flugtechnische Werke of Bremen.

Merger Foundered Mr. Swartouw dissolved the merger, which had foundered because of the failure with heavy losses of a project to design a short-haul airliner.

Fokker said the main obstacle to the project was the difficulty of working with two governments that were constantly backing national projects. But a spokesman pointed out that the venture with McDonnell Douglas was not a merger.

Mr. Swartouw abandoned the company's exclusively European outlook and took the short-haul project to potential partners in the United States and Japan before plumping for McDonnell Douglas.

The new plane would be built on parallel production lines in Amsterdam and Long Beach, Calif., giving the two companies the advantage that it could be sold in the United States as a U.S. product and in Europe as a European product.

In the last year he has seen Fokker's profits double to reach 10 million guilders (\$4 million).

If successful, the MDF-100 will follow a long line of Fokker trail-

blazers.

The company was founded by Antony Fokker, a Dutchman who left his native country in 1910 for Germany. He developed the tri-wing Fokker D-7 flown by Manfred von Richthofen, the "Red Baron," and its distinctive shape rapidly became a symbol of Imperial German airpower. After the war, Fokker returned to the Netherlands and set up a factory.

In 1923, the Fokker F-4, capable of carrying 11 passengers, made the first non-stop flight across the United States.

Fokker spokesman said the new MDF-100 would be a pioneer in methods of fuel economy with an advanced wing design developed by the Dutch national aerospace laboratory.

Exxon Sees Rise In 'Synfuel' Use

HOUSTON — The United States' dependence on foreign oil will probably increase during this decade, an Exxon report says, but it should drop significantly in the 1990s.

Exxon's annual "Energy Outlook" cited "conservation and substitution of other fuels" for oil and improved efficiency of cars and trucks as major factors in holding down future oil consumption.

The report predicted that synthetic fuels will replace petroleum in the future and that worldwide coal use will rise significantly in the next 20 years. It said liquid fuels from coal and shale would be commercially available in the mid-1980s and could account for 34 percent of the national oil supply by 2000.

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CURRENCY RATES

Interbank exchange rates for May 29, 1981, excluding bank service charges.

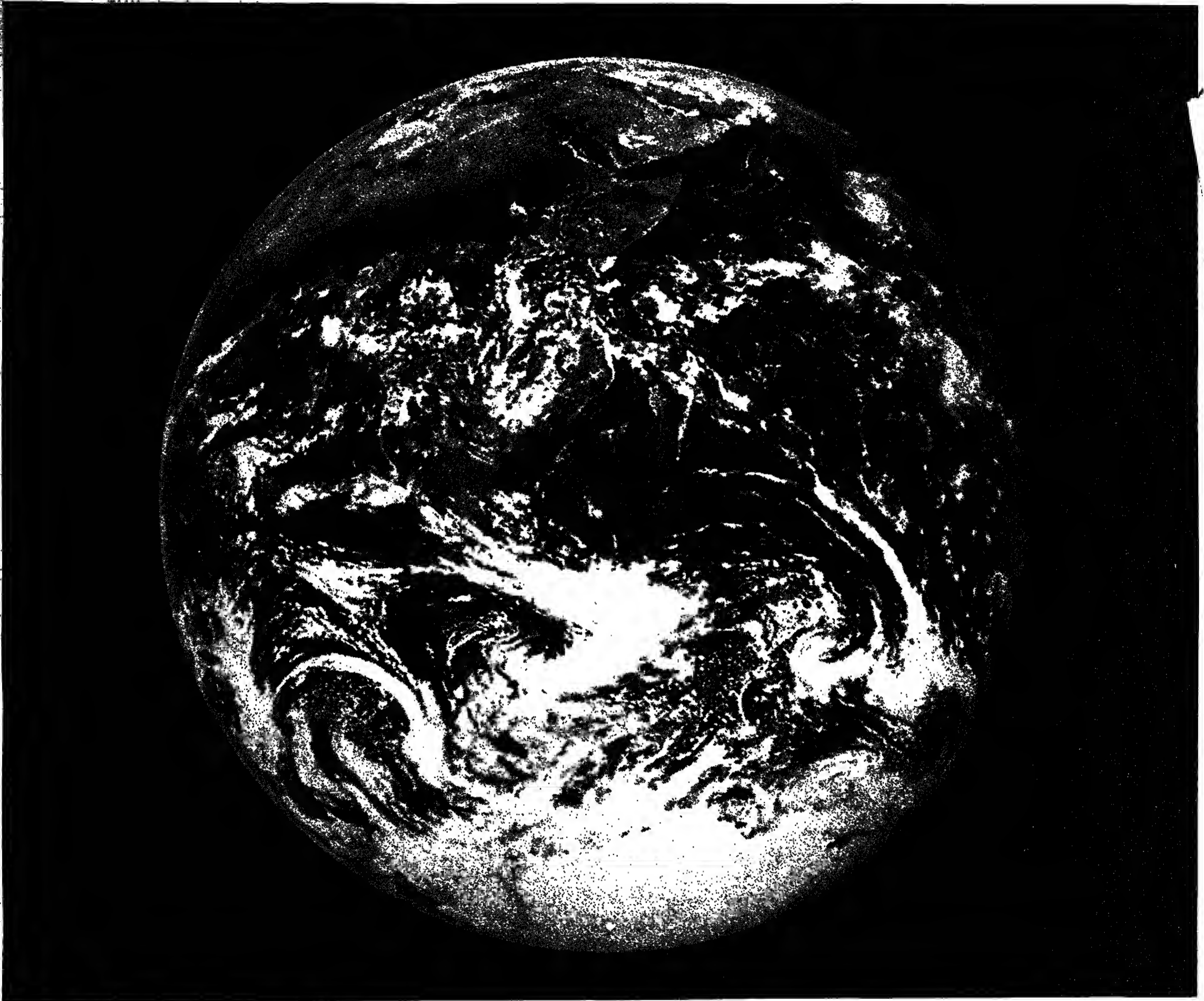
Table with columns for currency, rate, and source. Includes entries for Amsterdam, Brussels, London, New York, Paris, Zurich, and other major financial centers.

Source: Reuters. (a) Commercial franc. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

Advertisement for OESTERREICHISCHE ALPINE MONTANEGESellschaft. Loan of 1965-1985 5 3/4%. Eleventh drawing of May 13, 1981. Includes details about the loan, interest rates, and participating institutions.

Advertisement for IBJ (Industrial Bank of Japan). Moving more than money in global resource development. Your Resourceful Bank. A \$2.2 billion offshore oil complex in Abu Dhabi. A \$1.5 billion LNG project in Indonesia. Another vast LNG complex in Malaysia. Huge coal and uranium projects in Australia.

Dominion Bridge has grown to span the world.



Now our new name does too. **AMCA INTERNATIONAL**

On April 28, 1981, our shareholders voted to change our corporate name. Today it becomes official: We're AMCA International Limited.

For 99 years, we have been Dominion Bridge—we helped "bridge" Canada. But bridge building is now a small part of our business.

Eight years ago we formed a new subsidiary in the United States, AMCA (AMerican/CANadian), to reflect growing activities in all of North America.

AMCA is now an international diversified company with 1981 sales expected to exceed \$1.5 billion—in steel-based, industrial, engineering and construction products and services. We

market our output in over 100 countries. (The Dominion Bridge name will still be retained by certain of AMCA's operations in Canada.)

We have a new corporate name, but are still committed to the metals technology we know best and to strategic development worldwide—no single-industry or single-nation dependency. We plan to continue our 1970's growth record—sales and earnings increased at compounded annual rates of 21 percent and 28 percent respectively. Those results put us among the leading corporations in North America in providing our shareholders with outstanding returns

(stock price appreciation plus dividends).

We intend to remain in that position and, as a result, expect that our ads will continue to talk about our financial feats—as well as our engineering and construction ones.

AMCA International is listed on the Toronto and Montreal stock exchanges. Our new ticker symbol is AIL. Beginning today, look for us in the stock tables under AMCA INT.

Write for our new booklet, "The World of AMCA International" to: Department T, AMCA International, Hanover, New Hampshire 03755.



**AMCA
INTERNATIONAL**

International Bond Prices - Week of May 27

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of international bond prices with columns for AmI Security, Mide Price, Yield, and Curr. Price.

Convertible Bonds

Table of convertible bond prices with columns for AmI Security, Mide Price, Yield, and Curr. Price.

Over-the-Counter

Large table of over-the-counter securities with columns for AmI Security, Mide Price, Yield, and Curr. Price.

Table titled 'Mutual Funds' listing various fund names and their performance metrics.



The international essential.

Over-the-Counter

Table of over-the-counter stock prices for various companies including American Express, American International, and American Overseas.

Kingman's Homer Helps Mets Beat Cubs

New York — Dave Kingman's 10th home run and Mookie Wilson's four hits and three runs lifted the New York Mets and Mike Scott to a 6-1 victory Friday night over the Chicago Cubs.

after throwing a pitch in the sixth inning and sprained his right ankle. Lee finished up to collect his fifth save.

New York snapped a four-game losing streak by beating Cleveland, 5-2. Rich Gossage pitched the ninth to get his 12th save.

record to 6-2 with his sixth triumph in his last seven starts.

FRIDAY BASEBALL

the third of loser Randy Martz (2-3) on a walk to Scott, a double by Wilson and a single by Bob Bailor.

Cardinals 11, Phillies 4
In St. Louis, the Cardinals got 15 hits and George Hendrick drove in four runs with a homer and a single to break a four-game St. Louis losing streak with an 11-4 victory over Philadelphia.

Dodgers 5, Reds 2
In Los Angeles, Pedro Guerrero had a three-run homer and drove in four runs to lead Los Angeles to a 5-2 victory over Cincinnati. Los Angeles topped off its scoring with a triple by winning pitcher Bob Welch (3-3) and a single by Derrel Thomas.

Braves 7, Padres 1
In San Diego, Glenn Hubbard's two-run, second-inning homer off loser Rick Wild helped Atlanta to a 7-1 victory over San Diego. Phil Niekro (3-3) got the victory as Rick Camp picked up his second save.

Giants 3, Astros 1
In San Francisco, Jack Clark's two-out single broke an eighth-inning tie and lifted San Francisco over Houston, 3-1. The winner was Vida Blue (5-3) while Don Sutton took the loss to reduce his record to 3-6.

Expos 3, Pirates 2
In Montreal, Scott Sanderson combined with Bill Lee on a seven-hitter to pitch the Expos to a 3-2 victory over Pittsburgh. Sanderson (5-2) pitched the first 5 1/2 innings before he stumbled off the mound.

Friday and Saturday Line Scores

Friday's Games

Table of Friday's baseball game scores including American League and National League games.

Saturday's Games

Table of Saturday's baseball game scores including American League and National League games.

More Sports On Page 19

American Exchange Options

For the Week Ending May 29, 1981

Table of American Exchange Options for the week ending May 29, 1981, listing various options and their prices.

Chicago Exchange Options

For the Week Ending May 29, 1981

Table of Chicago Exchange Options for the week ending May 29, 1981, listing various options and their prices.

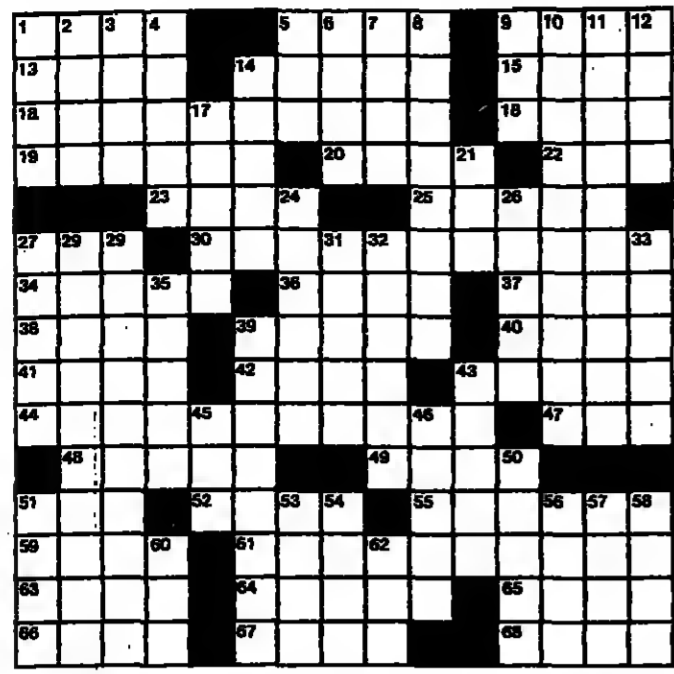
SENIOR EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

Table of Senior Executive Positions with columns for Position, Salary, Employer, Locat., Qualifications, and Contact.

ESORTS & GUIDES CLASSIFIED ADVERTISEMENTS (Continued from Back Page) listing various travel services and agencies.

CROSSWORD By Eugene T. Malaska



ACROSS

- 1 Abyssal
2 There ought to be...
3 Old word before "while"
13 Heraldic shield's border
14 Writer Jong
15 San... Italian resort
16 Fuel transports
18 Old Greek festival contest
19 Used-car transaction
20 Hazards for dolphins
22 Island music maker, for short
23 Monetary unit of Turkey
25 Locale for a maitre
27 Raw's partner
28 Erup... pollution
34 Have... (be wary)
36 Nigerian city
37 "...boy!"
38 Extern Comb. form
38 Slangy command to GI
46 Bank business
41 Chemical suffix
42 "Thanks..."
43 Exaggerated comedy

DOWN

- 44 Pollute
47 What smog obscures
48 Crystal-lined rock
49 Hindu god of destruction
51 Nothing
52 Nevada cattle center
53 Soprano Meibla
59 Destructive rain
61 Trashy people
63 Free from danger
64 Epic involving Agamemnon
65 "Once... a midnight dreamy..."
66 Act. Clues
67 "The Sun... Rises"
68 Adjective for a mite or mote
1 French window
2 Neighbor of Chautauqua Lake
3... commissions
4 Flower part
5 Noah's shelter
6 Property right
7 Land measure
8 "...want no!"
9 Particular period
10 Thermostats,
11 Urban polluter
12 Timbre
14 Febrero's predecessor
17 Animated
21...
24 Potash, e.g.
26 Florida city
27 Destruction and ruin
28 Of our surroundings and us
29 Victims of oil spills
31 Established law
32 Loos and Bryant
33 Bill... singer who apes Presley
35 Right-hand page
39 Plant named for a Jesuit
43 Maledy symptom
45 Humorist George
46 Hav. ng prongs
58 Col...or's item
51 Org. that launched the Columbia
63 Wast... pollutants may do
64 Colonial rights defender
66 Value of old time
57 Composer Stravinsky
58 Serv. of yore
60 Nov. follower
62 The wry, in China

WEATHER

Table with columns for city, high, low, and weather conditions. Cities include ALABAMA, ALASKA, ARIZONA, etc.

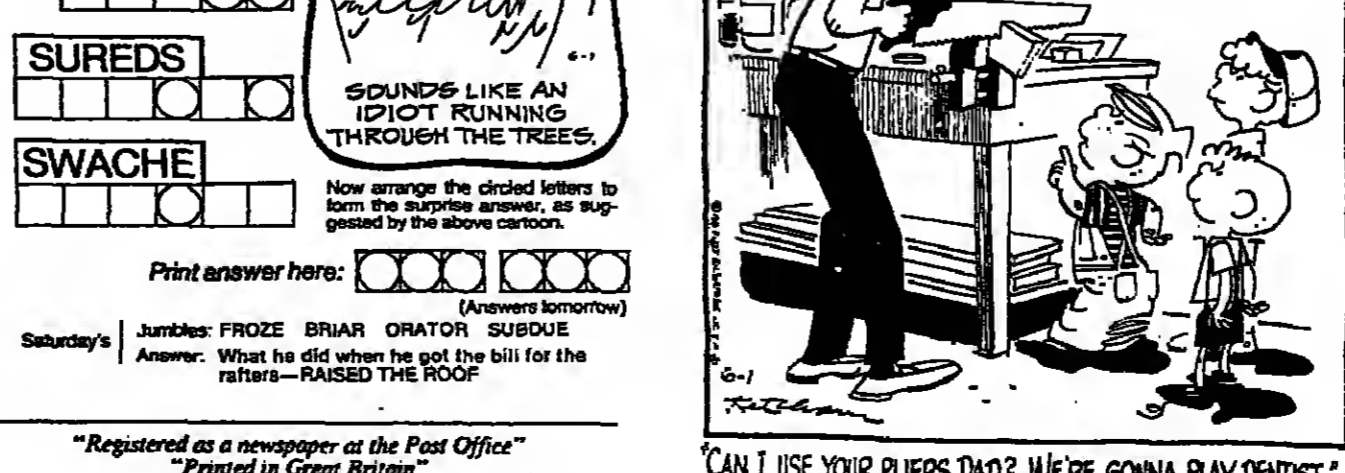
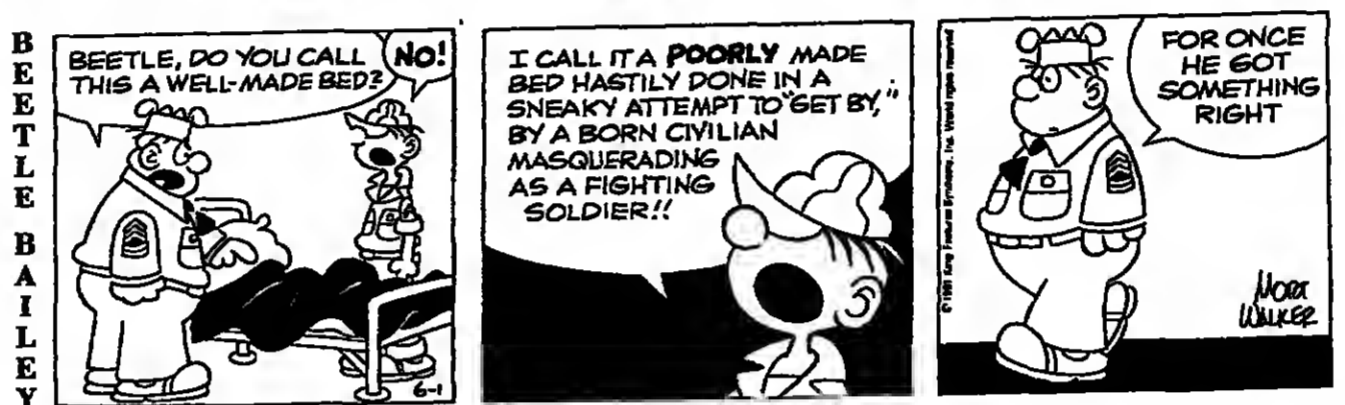
RADIO NEWSCASTS BBC WORLD SERVICE

Broadcasts of 0600, 0700, 0800, 0900, 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200 (All times GMT).

VOICE OF AMERICA

The Voice of America broadcasts world news in English on the hour and 25 minutes after the hour during the varying periods to different regions.

Oil and Money Conference. London, Sept. 28-29. The second annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties" will take place September 28 and 29 in London.



BOOKS

GRANT A Biography By William S. McFeely. Illustrated. 592 pp. \$19.95. W.W. Norton, 500 Fifth Ave., New York 10110. Reviewed by Christopher Lehmann-Haupt

At last, as the old gag reminds us, the Grants were buried in Grant's Tomb, that gingerbread house for Greek gods that sits aloft Manhattan's Upper West Side. And it is finally here, in his epilogue's account of Julia Dent Grant's interment in 1903 that William S. McFeely hits upon the perfect image to evoke the absurdity of the Grants' lives.

When Julia was to be interred, electric lights were rigged in the tomb to illuminate the work of the mason to a crane to hoist the immense bronze lid from the sarcophagus. When it was closed again, those two small simple people lay side by side in the vast, absurd, but somehow moving, empty space of a tomb set on ground that had nothing to do with either of them. Once again they were in a house that was not quite their own. Legend had it that the idea of a single burial place had come to Ulysses when he was looking at the monuments to Ferdinand and Isabella in Spain.

Delicious Incongruity Ferdinand and Isabella, Ulysses and Julia — the incongruity is delicious. But how is one to account for the absurdity of the Grants' extraordinary ordinariness? William S. McFeely, who is Rodman professor of history at Mount Holyoke College and the author of "Yankee Stepfather: Gen. O.O. Howard and the Freedmen," does extremely well at dramatizing the lives of Ulysses S. and Julia Dent Grant in his fascinating and consequential new biography of the great U.S. Civil War leader.

The unpromising youth, chiefly memorable for Grant's love of horses and hatred of the smell of his father's tannery; the mediocre record at West Point, to which Grant was sent because there was nothing better to do with him; the descent from peace-time Army officer to dirt farmer to bill collector to clerk in his father's leather-goods store in Galena, Ill., through all of which failure Grant seemed to sleepwalk; the outbreak of the Civil War affected in him; his astonishing rise from adviser to a Galena unit of volunteers to commanding general of the Union forces; his gloriously empty and corruption-ridden two-term presidency; his late disastrous attempts to succeed as a businessman; and the final race against death to produce what turned out to be his great and best-selling military memoirs — all of this amounts to an archetypal saga of American failure and success.

Moreover, McFeely provides theories to account for this roller-coaster ride. Grant was an ordinary man who refused to think of himself as ordinary and therefore failed at ordinary en-

deavors. "So he went to war, hundreds of thousands of men. Luck (his more or less acutely having gone to West Point ruthlessly realistic common sense someone who never had any part with theory, and an uncommonly remarkable degree of self-control enabled Grant to make a very mark in the terrible American War. The resources, however, on which he drew to win the war were within him all along."

Chess

By Robert By



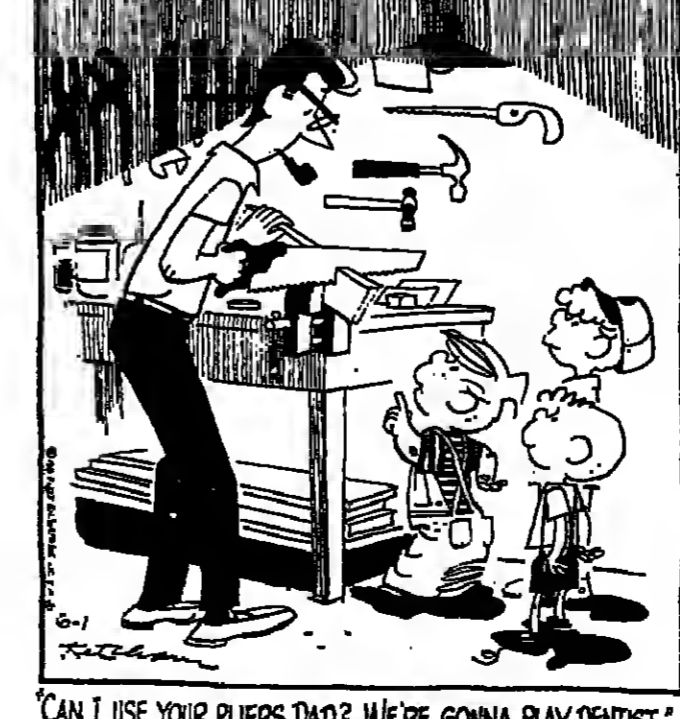
EUROPE scored a convincing 19½-12½ triumph over the Americas in an unofficial double-round match in Mar del Plata, Argentina. The high scorer for Europe was Ulf Andersson of Sweden with 6-2. He was followed by Ljubomir Ljubojevic of Yugoslavia with 5-3, Bent Larsen of Denmark with 4½-3½, and Lajos Portisch of Hungary with 4-4.

Larry Christiansen of Modesto, Calif., led the Americas team with 4-4. He was followed by Walter Browne of Berkeley, Calif., with 3½-4½, Miguel Quinteros of Argentina with 3-5, and Yasser Seirawan of Seattle with 2-6.

JUMBLE THAT SCRAMBLED WORD GAME

Jumble game instructions and a cartoon illustration of a man looking at a sign that says 'SOUNDS LIKE AN IDIOT RUNNING THROUGH THE TREES.' Below are words to be unscrambled: ZAREC, DAPAT, SUREDS, SWACHE.

DENNIS THE MENACE



كلمات الجمل

2 Seeds Ousted in Paris

By 14-Year-Old American

By Nick Stout
International Herald Tribune
PARIS — While Rosie Casals is trying to explain the other day by her accumulated tennis talents meant nothing against Hana Mandlikova, an accomplished Czechoslovak teen-ager who sent Casals packing after one match at the French Open, she spoke with optimism of the healthy crop of American youngsters, noting in particular the way they have developed the moundstroke into a deadly weapon.

"Watch Kathy Rinaldi," she said, referring to a 14-year-old Floridian who first appeared on the U.S. tour last fall.

Those who took her advice here this weekend are now wise to what Casals was talking about. On Saturday, Rinaldi knocked out Dianne Fromholtz, the No. 8 seed on Australia, 6-3, 7-5, and on Monday she beat Anne Smith, seeded 11th, 6-1, 4-6, 6-3.

6 Set Points
With Fromholtz leading the second set, 5-3, Rinaldi kept her poise the back of the court and saved two set points. In the following time she saved four more to pull out at 5-5 before going on to win as set and the match.

Using an inexhaustible supply of groundstrokes, she was able to follow out the points and wait for Fromholtz to make mistakes.

"To be sure, Rinaldi received as many gift points as she earned on her own. But the young American is a new prize from the 14-year-old sportswoman, who said, 'She's a gutsy player. She hangs in there. She's very competitive.'

On Sunday Rinaldi was trailing 1-3 in the deciding set. But she kept her determination and won the remaining games of the set.

"I don't feel any pressure because everybody expects me to lose," said Rinaldi, the youngest competitor ever in the French Open. Her next opponent is Mandlikova, seeded fourth in the tournament.

Rinaldi, who is coached by her father, Dennis, made her debut on a senior circuit last October in Clear Creek, Fla., where she lost in her first round to Sue Barker. She continued to enter top-level tournaments through the winter.

Suited to Clay
Rinaldi said she decided to enter the French Open to get more accustomed to the big time. "All the top players were going to be here. I thought it would be a good experience and a lot of fun," she said. Asked if she was surprised by her victory over Fromholtz, she replied: "I went into the match thinking I would win."

Rinaldi seems well suited to the low clay courts of Roland Garros stadium, which is not surprising since her apprenticeship was carried out on similar, though not identical, courts in Florida. It is no wonder that Chris Evert-Lloyd, who from Florida and Rinaldi's so-called idol, has had her greatest success on clay.

Like Lloyd, Rinaldi likes to roam the baseline. And on the Paris court there is a heavenly abundance of space at each end. Typically American, she also fills both sides on her backhand. But Rinaldi dismissed suggestions that she was trying to copy anybody, saying: "It was just natural for me to grab the racket with two hands."

Rinaldi will start high school in the fall. In the meantime, however, there is work to do. In June she will enter Wimbledon and get her first crack at bona-fide lawn tennis. Asked what she knew about playing on grass, the youngster replied: "I've been told that when it's wet, you slip."

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Kathy Jordan, the No. 9 seed, was also upset Saturday. She lost to Candy Reynolds, 2-6, 7-5, 6-2. And Nina Bohm of Sweden surprised Ivanna Madruga, 2-6, 6-4, 6-3.

Other women reaching the quarterfinals included Chris Evert-Lloyd, Virginia Ruzici and Hana Mandlikova.

Lloyd eliminated Virginia Wade, 6-3, 6-0; Ruzici defeated Pam Teegarden, 6-3, 6-4, and Mandlikova beat Bettina Bunge, 6-3, 6-1.

On Saturday, Mandlikova needed three sets to get by Flavia Pecci of Peru, 4-6, 6-0, 6-4. Asked what the problem was in the first set, Mandlikova replied: "It was too early for me." The match had been starting at 10 a.m., an hour earlier than usual, because of the bottleneck caused by rainouts early last week.

The biggest development on the men's side was the default Saturday by Gene Mayer, the No. 4 seed who retired from his match with Victor Pecci when his right wrist became too painful to continue. Pecci, who reached the final here two years ago, had been leading, 6-4, 2-1.

Pain in the Eyes
Six weeks ago Mayer fell on his wrist "in the push-up position" during a special tournament in Rome, damaging a tendon. He said he thought the injury had healed, but realized the truth after his first match here last Tuesday. After defaulting, Mayer acknowledged: "I wasn't sure if I could finish yesterday. I could hardly practice this morning. After I had it treated, it felt better and it was good for a few games but then it really started to hurt when I served."

Pecci said he had been unaware of Mayer's condition going into the match, but that he soon realized his opponent was hurting. "When I saw his face as he hit the ball, I knew something was wrong," Pecci said.

Pecci subsequently eliminated Wojtek Fibak, the No. 14 seed, 6-2, 6-3, 6-3.

After breezing through two matches, the Nastase was blown off the court in the third round by Terry Moor, 6-3, 6-2, 6-1. While he lost the match, the 24-year-old Romanian retained his sense of humor. He kept the crowd, including the umpire, laughing until the end.

Austin to Defend Title
EASTBOURNE, England (AP) — Tracy Austin will defend her title in the women's tennis championship at Eastbourne from June 15-21, the organizers announced. Martina Navratilova and Andrea Jaeger head the challenge to Austin.

end with his various pranks and familiar showmanship. Moor's satisfaction was short-lived, however, as he humbly bowed to Bjorn Borg on Sunday, 6-0, 6-0, 6-1. Borg had earlier defeated Paul-Antoine Torre, 6-2, 6-1, 6-2, putting an end to the hoopla over the 28-year-old Frenchman. Torre was an impressive junior player but quit the game to earn an engineering degree. He resumed playing seriously three years ago as a relative outsider and had been the subject of much attention because of his unexpected victories over Paul McNamee of Australia and Angel Gimenez of Spain.

Connors' Rematch
Jimmy Connors, seeded second, expended little energy in overcoming Jean-Francois Caujolle, a 29-year-old Frenchman who last year took Connors to five sets. In that memorable match, Caujolle squandered a match point at 5-2 in the third set, enabling Connors to fight back. Like last year, the two played on the center court in late afternoon heat. But no more similarities were evident as Caujolle, playing with a sore ankle, was clearly out of Connors's class. The score was 6-0, 6-2, 6-0.

"Yesterday's match was good practice," Connors said, referring to a four-set 3½-hour contest Friday with Gabriel Urpi of Spain. "You don't like to go that long but it was probably good that it happened to me."

Connors' next opponent will be Mel Purcell, who upset Eddie Dibbs on Saturday, 3-6, 2-6, 6-4, 6-2, 6-3.

John McEnroe was extended to four sets Sunday by Diego Perez, a Uruguayan based in France, who defeated 6-1, 2-6, 6-0, 6-4. Part of the trouble, McEnroe said, was that he missed too many first serves.

Carlos Kirmayr of Brazil, who once beat McEnroe, eliminated Brian Gottfried, the No. 12 seed, 6-2, 6-4, 6-2. And Balazs Taroczy, seeded 15th, defeated Thierry Tulasne, the hometown favorite, 7-5, 6-3, 5-7, 6-3.

Other men still in the tournament included Ricardo Ycaza, Ivan Lendl, Peter McNamara, Guillermo Vilas and Jose-Luis Clerc.



Kathy Rinaldi, the 14-year-old American who has upset two seeded players in the French Open, goes after a ball during her victory over Anne Smith. Rinaldi also eliminated Dianne Fromholtz.

Blue Jays Outpower the A's, 6-5

From Agency Dispatches
TORONTO — John Mayberry hit a three-run homer in the eighth inning — his second home run of the game Saturday — and Lloyd Moseby followed with a tie-breaking homer as Toronto rallied to give Oakland its 10th straight defeat on the road, 6-5.

Clete Boyer, replacing the suspended Billy Martin, acted as manager for Oakland. A's pitcher Mike Norris (7-3) held the Blue Jays hitless from Mayberry's two-run homer in the first inning until the three-run shot in the eighth.

BASEBALL ROUNDUP
In Cleveland, Gene Nelson, Ron Davis and Rich Gossage combined on a three-hitter as New York edged Cleveland, 1-0. The Yankees scored in the first inning off Dan Spillner (1-1), a last-minute replacement starter after John Denton injured his back while warming up.

White Sox 9, Angels 0
In Chicago, Richard Dotson pitched a three-hitter and Chicago capitalized on three errors to score five unearned runs in a six-run third inning, spoiling Gene Mauch's debut as California manager with a 9-0 trouncing of the Angels.

Royals 6, Twins 5
In Bloomington, Minn., Clint Hurdle capped a five-run Kansas City sixth inning with a run-scoring single, then hit a 430-foot home run to break a tie in the ninth as Kansas City beat Minnesota, 6-5. The Royals bunched six hits to wipe out a 5-0 Twins lead in the sixth.

Rangers 6, Mariners 0
In Arlington, Texas, Doc Medich pitched a four-hitter and Mickey Rivers touched off rallies with two of his three hits to lead Texas over Seattle, 6-0. Medich (4-3) won his ninth straight over Seattle dating to 1977. He struck out eight, a career high.

Tigers 4, Orioles 1
In Baltimore, Jack Morris pitched a six-hitter as Detroit beat Baltimore, 4-1, ending a four-game Oriole winning streak.

Phillies 10, Cardinals 2
In the National League, in Philadelphia, Dick Davis drove in five runs with three hits, including his first National League home run, to lead a 14-hit attack and spark Philadelphia to a 10-2 rout of St. Louis. Philadelphia starter Dick Ruthven (7-2) scattered nine hits.

Astros 9, Giants 8
In San Francisco, Terry Puhl's two-out single in the 14th inning won the game for the Astros.

Expos Give Up Valentine for Reardon
MONTREAL — The Montreal Expos, needing relief help desperately, have given up one of their prized possessions, outfielder Ellis Valentine, to the New York Mets to acquire relief pitcher Jeff Reardon.

In addition to Reardon, the Expos also received minor league outfielder Dan Norman and a player to be named later. Norman will report to the Expos' Triple A team at Denver.

"We're sorry to see Ellis Valentine go," said the Expos' general manager, John McHale. "We take all our players at face value. Ellis has given us outstanding baseball. But for a front-line relief pitcher, one we needed, there's only one player on our team that we could give up and that's Valentine."

Reardon, 25, was 1-0 with two saves in 19 appearances. He led the Mets in appearances in 1980 with 61 and posted an 8-7 record with six saves. He struck out 101 batters in 110 innings. Reardon was drafted by the Expos in June, 1973, but did not sign.

Considered one of the best all-around players in the National League, Valentine, 26, has been on the 15-day disabled list since May 20 after aggravating a hamstring pull the previous night against the San Diego Padres. He was batting .211 with three homers and 15 RBIs in 22 games.

the ninth. Dwight Evans capped the tying rally with a three-run, two-out homer off loser Rollie Fingers. Mark Clear, the third Boston pitcher, shut out Milwaukee in the 10th to become 7-0 for the year, with six victories and three saves in nine relief appearances during May.

Yankees 1, Indians 0
In Cleveland, Gene Nelson, Ron Davis and Rich Gossage combined on a three-hitter as New York edged Cleveland, 1-0. The Yankees scored in the first inning off Dan Spillner (1-1), a last-minute replacement starter after John Denton injured his back while warming up.

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Valentine's days with the Expos had been numbered since spring training. He caused a commotion when he refused to take batting practice on an auxiliary field because of a poor background. His teammates accused him of babying himself, and Valentine expressed a desire to be traded.

drove in Rafael Loustou from third base to give Houston a 9-8 victory over San Francisco. All the Giants runs were unearned.

Pirates 3, Expos 2
In Montreal, Dave Parker hit a two-run double to cap a three-run third inning and Rick Rhoden raised his record to 6-0 as Pittsburgh edged Montreal, 3-2.

Cubs 10, Mets 3
In New York, Jerry Morales and Bill Buckner drove in three runs apiece, helping Chicago beat New York, 10-3, only its second triumph away from Wrigley Field this season. Chicago scored seven runs in the fourth inning to rout starter Greg Harris and reliever Ed Lynch before Dave Miller, the third of five Met pitchers in the game, retired the side.

Reds 9, Dodgers 1
In Los Angeles, George Foster drove in three runs — two of them with his 11th homer — and Frank Pastore earned his first victory in more than a month as Cincinnati trounced Los Angeles, 9-1. Sevenside winner Burt Hooton suffered his first loss of the year as he was tagged for five runs on eight hits in five innings.

Padres 11, Braves 1
In San Diego, Steve Mura scattered 11 hits and San Diego batters got 18 as the Padres crushed Atlanta, 11-1, to end a four-game losing streak.

Surgery for A's Pitcher
OAKLAND — Bo McLaughlin, the Oakland A's pitcher, has undergone surgery to repair booe damage caused by a line drive shot to his face, hospital officials said.

Red Smith
A Look at Baseball's Worst Club

Unlike other club owners, William Wrigley has not solved the Cubs' problems by the customary method of firing the manager. Minnesota, Seattle and the California Angels have shown a proper reverence for tradition by dumping Johnny Goryl, Maury Wills and Jim Fregosi, but Wrigley has taken a different tack and brought in two former managers to look over Joe Amalfitano's shoulder.

Herman Franks, who managed the team from 1977 through 1979, is the new general manager. (The club finished fourth, third and fifth in the National League East when Herman was in command.) Alvin Dark, who did the thinking for the Giants, Kansas City A's, Indians, Oakland A's and Padres, has been brought in as a special assistant to Franks, or something.

The return of Franks must have warmed some coxles in the clubhouse, for some of the inmates were on the team when Herman, taking his departure, hunkered guard the lot of them as surly slobs. Specifically, he charged the players with refusal to cooperate with the press, an area in which he was a recognized authority. Getting a helpful line or even a cordial word out of Franks when he was a manager was, as the saying goes, like mining coal with a nail file.

Avoiding 100 defeats seems a modest ambition, especially for a saint, but as the team continued to gasp and threaten about like a fish on the beach it began to appear that the saint would have to pass a miracle to bring it off. The \$100 bonus doesn't sound like much today, but in that era Connie was known to pay a regular as little as \$2,500 a season.

Memory suggests that on the last day of the season the A's still had 54 victories and they proceeded to lose the first half of a doubleheader. This left it up to Lum Harris, as sincere a pitcher as ever threw a curve. He had a fairly comfortable lead with an inning or two to go when Connie took him out for reasons that elude memory.

Lum was replaced by Phil Marchildon, who could throw a baseball faster than most but wasn't always sure where it would go. Harris sat in the clubhouse listening on radio as Marchildon walked a batter, walked another, gave up a run, walked still another. That bonus was like ice in the sun when Marchildon finally got the last man out and saved the game for Lum.

Villeneuve Wins Race at Monaco; Jones Places 2d

The Associated Press
MONTE CARLO — Gilles Villeneuve of Canada scored the first Grand Prix victory for the new turbocharged Ferrari Sunday in a dramatic, accident-packed 39th Monaco Grand Prix.

He took the lead only four laps from the end of the 76-lap race around the streets of the Riviera state when fuel problems cost Alan Jones of Australia an apparently certain victory.

Jones came home second in a Williams, with the Talbot Ligier of France's Jacques Laffite in third place. Didier Pironi of France was fourth in the second Ferrari as the Italian team ran a brilliant race.

The only other finishers of the 20 starters were Eddie Cheever in a Tyrrell, Marc Surer's in an Ensign and Patrick Tambay, out of the points, in the Theodore.

Five Delays Start
The race started an hour late because of a fire in the Lotus Hotel over the tunnel section of the circuit. Firefighting efforts then flooded that area.

Nelson Piquet of Brazil led from the pole for 34 laps, fighting off a hard-charging Jones until he crashed when he tried to pass two slower cars.

Villeneuve's winning time for the 156.406 miles (251.712 kilometers) was an hour, 54 minutes 23.38 seconds for an average speed of 81.99 mph (132.03 kph).

Villeneuve, sweat-soaked and with an eye twitching from the strain, said after the race: "It was obvious early I was slower than Jones and I let him through on lap 18. I wasn't going to block him for 50 laps or so. I sat back waiting for problems of the leaders, but keeping up the pace with a great car and engine, and it paid off."

Villeneuve had been as far back as fourth but Riccardo Patrese of Italy retired his Arrows with gear-box failure when he was running in third place. Then Piquet crashed and Jones's fuel-supply problem developed.

A first lap collision with the McLaren of Italy's Andrea de Cesaris eliminated veteran Mario Andretti in an Alfa-Romeo. Andretti won the Indianapolis 500 last Sunday.

Carlos Reutemann of Argentina ran fourth in the early laps but pitted after a collision with the Lotus of Nigel Mansell, who had been running an excellent third until his rear suspension collapsed. Reutemann dropped out for good two laps later with a broken gearbox, but retained his world championship lead with 34 points.

Jones, his teammate and reigning champion, moved into second with 24 points, with Piquet third on 22 points.

The barrier-lined streets of Monaco are unforgiving of mistakes and cruel to mechanical components.

Unlucky Day
In other incidents, the Renaults of Rene Arnoux and Alain Prost broke down on the 33d and 48th laps, when each was in sixth place, and Italian Elio de Angelis was in 4th place in his Lotus when his engine exploded.

Michele Alboreto of Italy spun his Tyrrell coming out and was hit by the Alfa-Romeo of Bruno Giacomelli, eliminating them from the seventh and eighth spots, respectively, on lap 52.

The engine in John Watson's McLaren expired when he was in a good fourth on lap 56, leaving only seven cars running.

There had been 31 entrants for the 20 starting places last Thursday.

MONACO GRAND PRIX
1. Gilles Villeneuve, Canada, Ferrari, 1:54:23.8.
2. Alan Jones, Australia, Williams, 1:55:03.7.
3. Jacques Laffite, France, Talbot-Ligier, 1:55:24.1.
4. Didier Pironi, France, Ferrari, one lap behind.
5. Eddie Cheever, U.S., Tyrrell, two laps.
6. Marc Surer, Switzerland, Ensign, two laps.
7. Patrick Tambay, France, Theodore, 4 laps.

WORLD CHAMPIONSHIP STANDINGS
1. Carlos Reutemann, Argentina, 34 points
2. Alan Jones, Australia, 24
3. Nelson Piquet, Brazil, 22
4. Gilles Villeneuve, Canada, 17
5. Jacques Laffite, France, 11
6. Riccardo Patrese, Italy, 10
7. Elio de Angelis, Italy, 5
8. Didier Pironi, France, 5
9. Nigel Mansell, Britain, 4
10. Alain Prost, France, 4
11. Marc Surer, Switzerland, 4

Bid to Save U.S. Race
ALBANY, N.Y. (UPI) — Gov. Hugh Carey plans to ask lawmakers to approve \$2 million in aid to try to save the U.S. Grand Prix auto race at Watkins Glen that has been canceled by international racing officials, aides said.

Red Smith
A Look at Baseball's Worst Club

The Cubs have not won a pennant or divisional championship in 36 years, but they have not always been as docile as this year's cast. They won the championship in the National League's first year, 1876, when they were called the White Stockings.

They won half a dozen pennants in the 11 years from 1876 through 1886 and three straight in 1906, 1907 and 1908. The following year they won 104 games but finished second to the Pirates, coming back as pennant-winners in 1910 with the same amount of victories.

It was in those years that the team reached its artistic and competitive peak. The 1906 team had Frank Chance, the Peerless Leader, on first base with Johnny Evers at second, Joe Tinker at short and Harry Steinfield at third. Jimmy Sheikard, Circus Solly Hoffman and Jimmy Slaughter patrolled the outfield. Johnny Kling was catcher, and the pitching corps included Three-Fingered Brown, Ed Reulbach, Orval Overall, Carl Lundgren and Jack Pfeiffer.

Three of the infielders — Tinker, Evers and Chance — are in the Hall of Fame, having made it mostly because of Franklin P. Adams's jangle celebrating them as a double-play combination. Harry Steinfield is the least remembered today, though by all accounts he was the most memorable character, a reformed minstrelman, a warm companion and great raconteur.

The Gamest Man
One Steinfield story was written many years ago by Hugh Fullerton in The Chicago Tribune.

"The gamest man that ever broke into the game," Steinfield said, "was the second baseman we had in Dallas in the Texas League. We were playing Galveston. The first inning the Galveston center fielder got to first and tried to steal. Our catcher threw him out a city block, and instead of sliding he just took a flying leap at the second baseman and came down with his spikes on the young guy's foot."

"The game fellow limped around for a minute, then went on playing. That afternoon he made four putouts, eight assists and four hits, including a double and a home run."

"After the game he and I were walking to the clubhouse together when he said, 'I believe there's something in my shoe.' He stooped down, took off his shoe and shook out two toes."

Stadler Holds 2-Stroke Lead in Kemper Golf

United Press International
BETHESDA, Md. — Craig Stadler fired a 4-under-par 66 Saturday for a three-round 202 total and a two-shot lead over John Cook and Tom Weiskopf after three rounds of the Kemper Open golf tournament.

Stadler, 28, survived five straight birdies by Cook, who had a 67 for 204. Weiskopf posted his third straight 68 Saturday, including a 40-foot birdie putt on 18.

Jim Simons' even-par 70 left him at 206, a shot ahead of brothers Danny and Dave Edwards. Tom Kite, who shot 68 Saturday, and Beau Bangh, who had 69, are tied at 208.

Danny Edwards began the day 6-under-par with a two-shot lead. He bogeyed the second and fifth holes and added a double bogey on the 13th, getting a birdie only on 15.

SATURDAY

Men's Singles
Terry Moore, U.S., def. Ilio Miskowa, Romania, 2-6, 6-1; Guillermo Vilas, Argentina, def. Ricardo Ycaza, Argentina, 6-1, 6-1; Steve Perry, Sweden, def. Paul-Antoine Torre, France, 6-3, 6-1.

Women's Singles
Kathy Rinaldi, U.S., def. Dianne Fromholtz, Australia, 6-3, 7-5; Hana Mandlikova, Czechoslovakia, def. Flavia Pecci, Peru, 4-6, 6-0, 6-4; Ivana Lendl, U.S., def. Edda Dibbs, U.S., 3-6, 2-6, 6-4, 6-2, 6-3; Candy Reynolds, U.S., def. Jean-Francois Caujolle, France, 6-3, 7-5, 6-2.

Men's Doubles
John McEnroe, U.S., def. Hans Simonsson, Sweden, 6-3, 6-3; Dianne Perry, Uruguay, def. El Hrabec, Czechoslovakia, 7-6, 6-4, 2-6, 6-2.

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More Sports On Page 17

Language

Little Victories

By William Safire

NEW YORK — "Citibank has coined a new and unnecessary word."



Consider some pomposity from another banking institution, the American Express Co. On its 1980 wallet calendar, these words appeared: "How and where to access service."

Subheads — those junior headlines over short pieces, or headlines over subdivisions of a story — are becoming a must.

There! Even a big bank can kick the big word habit without going through withdrawal symptoms.

13 Die in Clashes in India

NEW DELHI — Thirteen persons, including three police officials, were killed Saturday in two shoot-outs between police and suspected gang members in the northern state of Uttar Pradesh.

Leaving the Box

Keith Jarrett, Straying From Safe Notes

By Michael Zwerin

PARIS — "People present themselves to other people from the point of view of the box they've put themselves into."

Between quick American smiles, Keith Jarrett blinks every word.

Recordings of his solo concerts in Bremen, Lausanne and Cologne created a highly visible and successful Keith Jarrett box in the mid-'70s.

With his repetitive, trance-like left hand accompanying lyrical, often bluesy, abstractions — as well as his own grunts and groans — it is as though Erik Satie, Bill Evans, Glenn Gould and Cecil Taylor were combined in one body.

Audiences love it when he stands up at the keyboard, swaying like a dancer on fingertips.

After some more word weighing, he continued enigmatically: "Trust, there should be more trust."

Jarrett added: "Instrumentalists should explore the depth and implications of the sounds that already exist, rather than look so hard for new ones."

Told about Bernard Szafer, an electronic composer who uses original instruments rather than synthesizer timbres artificial, he laughed and responded with the same sort of mistrust an ardent capitalist might have for socialism with a human face.

He is considered a maverick or worse by many hard-core jazzers. He is called humorless, conceited, capricious. He will stop in mid-concert to browbeat photographers or stare down coughers.

During the concert he looked pleased to be part of ensemble discipline for a change, not out there inventing by himself, and he seemed genuinely embarrassed when the audience called out his name afterward.

unfamiliar classical works is a rare animal, one Europeans in particular appreciate.

It is no coincidence that his most successful recordings were made in Europe, and that his record company (ECM) is German.

Born in Allentown, Pa., in 1945, he was bebooping with Art Blakey's Jazz Messengers by the age of 20, after which he went with Charles Lloyd, the first jazzman to reach the flower-child market, and the first to concentrate in the Soviet Union.

He has put a down payment on an 18th-century log cabin near his home in southern New Jersey, where he lives with his wife and two children, for this purpose.

Someone who is not plugged in to jazz cannot be reached by Keith Jarrett, for example, Jarrett's unique combination of sound, form and time is really a remarkably unified artistic statement.

One rainy day earlier this year, Jarrett noticed his son Gabe pouring himself glasses of milk and wandering around the house looking extremely bored.

He laughed and shook his head. "Then I asked myself — what am I doing talking to a nine-year-old kid like that? But pretty soon I saw he was involved doing something, he wasn't bored any more."

Keith Jarrett, solo piano: Munich, June 2; Nogen-sur-Marne (near Paris), June 4; Brussels, June 8; Lille, June 10; Toulouse, June 12; Barcelona, June 15; Palma de Majorca, June 17; Lisbon, June 24.



Keith Jarrett

PEOPLE: Nancy Reagan Descri...

Nancy Reagan says that after her husband was shot, "all I could think of was, 'I have to hold on and not get in anybody's way.'"

When Woody Hayes, the former Ohio State University football coach, had his gallbladder removed May 9, his doctors left something behind — a surgical sponge.

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